

NATION'S

JUL 1 1943

BUSINESS

JULY 1943



Pledge Your Support

ANN ARBOR MICH
UNIVERSITY OF MICHIGAN
GENERAL LIBRARY

I "GREW UP" IN A FOXHOLE

I didn't think it was going to be like this the day we all marched down to the station. The band was playing and Mom and Dad and Dot were waving goodbye. And even though there were tears in Mom's eyes, I felt great.

I remember Bob Allen slapped me on the back and said, "You'll be a hero, chum." And we waved some more and the train pulled out.

I didn't know what I was fighting for then . . . but I know now.

I'm not kidding myself.

I'm not fighting for glory or medals or big parades with ticker tape and paper coming down like a snowstorm.

I'm not fighting to cram my religion or my ideas down somebody else's throat.

I'm not trying to create a new world order or a dream state.

Out here you catch on quick. In a foxhole you strip things down . . .

And what I'm fighting for is home!

For the right to come home again to the town, the folks, the girl, the job I had before I went to war. Home to America where freedom of speech means a man can grouse or praise as he sees fit . . . where freedom of worship and freedom from fear aren't just talk but are taken for granted. America, where I can live like my folks lived . . . where our way of living has always brought us new and better things . . . and where there's freedom of opportunity for every man to plan and build and grow to the top of his ability!

That's home . . . that's America to me.

Keep it that way until I come back.

Here at Nash-Kelvinator, we're building 2,000 h.p. Pratt & Whitney engines for the Navy's Vought Corsair fighters . . . Hamilton Standard propellers for United Nations' bombers . . . working to hurry the day when our boys will come home and we can turn again to peaceful things, to the building of an even finer Kelvinator, an even greater Nash!

NASH-KELVINATOR CORPORATION, DETROIT

Dedicated to America's Fighting Men, who are once again writing the Declaration of Independence with bayonet steel and smoking guns! THEY GIVE THEIR LIVES, WE LEND OUR MONEY. BUY WAR BONDS.



NASH  KELVINATOR

In War, Builders of Pratt & Whitney Engines and Hamilton Standard Propellers.
In Peace, Nash Automobiles, Kelvinator Refrigerators and Appliances.

Nation's Business



CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 31

JULY, 1943

No. 7

A Seyan-Ocean Industry	Larston D. Farrar	23
Bethlehem workers turn out a ship a day. Here's how!		
Taxes Can Shape the Future	Senator Walter F. George	25
You can't destroy the American system and have it, too.		
Test for a Double Victory	Lawrence N. Galton	27
Middle-aged workers prove that they have what it takes.		
Where Price Control Got Off the Beam	Lawrence Sullivan	28
Story back of OPA's attempt to make over business.		
Who Will Boss Our Trade?	A. Wyn Williams	31
Why our economic planners have no use for gold.		
Feeder and Fighter, Too	Herbert Corey	33
The Quartermasters face an impossible job—and do it.		
The Man Who Knows Your Groceries		36
Roy F. Hendrickson is changing your eating habits.		
Postwar Problem No. 3	A. H. Sypher	38
What is to become of Uncle Sam's gigantic war plant?		
Our Next Transportation Crisis	Curtis Fuller	56
A Postwar Design for Living	Richard E. Saunders	60
What kind of home will people want after the war?		
Farmers' Junk Steps Up Idaho Food Production	Vic Goertzen	78
A three-ring auction puts used equipment into action.		

REGULAR FEATURES:

Through the Editor's Specs...	7	Capital Scenes . . . and What's Behind Them . . .	44
Management's Washington Letter . . .	17	We Tour the Home Front . . .	70
The Union Within a Union . . .	21	The Map of the Nation's Business . . .	80
FRANK GREENE			

Cover photograph by George Lohr

MERLE THORPE—Editor and Publisher

LAWRENCE F. HURLEY—Asst. Editor & Publisher PAUL McCREA—Managing Editor
 PAUL HODGES, ART BROWN—Associate Editors A. H. SYPHER—Asst. Managing Editor
 LESTER DOUGLAS—Director of Art and Printing
 Assistant Editors—HERBERT COREY, LARSTON D. FARRAR, JOHN F. KELLEY,
 CHARLES A. R. DUNN
 ORSON ANGELL—Advertising Director J. H. BUCKLEY—Western Advertising Manager
 Circulation Managers—Eastern, DAVID V. STAHL; Western—FLOYD C. ZEIGLER

GENERAL OFFICE—Washington, U. S. Chamber Building.

BRANCH OFFICES—New York, 420 Lexington Ave.; San Francisco, 333 Pine Street; Dallas, 1101 Commerce St.; Chicago, First National Bank Building; Cleveland, Hanna Building.

As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

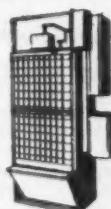
Although the editors will make every effort to return unsolicited manuscripts promptly and in good condition, Nation's Business cannot accept responsibility for loss or damage of this material.



ABSENTEEISM is no problem on the Dust Shift—which works 24 hours a day, every day, if you'll let it—sabotaging operations, increasing rejects, wearing out equipment and slowing down the efficiency of employees. Maybe this gang is on your payroll without your realizing it. It nearly always is, wherever engineered dust control is not on the job. Why not use the 23 years' experience of AAF to definitely determine if you have a dust condition either troublesome or dangerous that should be controlled?

ELECTRO-MATIC FILTER FOR ATMOSPHERIC DUSTS

Combines automatic air filtration and electrical precipitation to obtain the highest efficiency in the removal of atmospheric dust and smoke.



ROTO-CLONE COLLECTOR FOR PROCESS DUSTS

Combines exhauster and dust collector in a single, compact unit. Eliminates extensive piping—reduces installation costs. Comes in a wide range of sizes for all industrial needs.

Please send descriptive booklet "AAF in Industry".	
Name _____	
Firm _____	
City _____ State _____	
AMERICAN AIR FILTER CO., INC. 109 Central Avenue LOUISVILLE, KY.	



WHAT ARE YOU GOING TO DO WITH IT?

GOT A DOLLAR on you? Pull it out of your pocket and take a good look at it. *There* is a piece of sound money. It's good anywhere in the world, and always has been.

But what about the currency of the occupied countries, France, Netherlands, Belgium and others? You could bring a bale of it into your bank today, and not get a cent for it. No one is willing to buy this money. The Guilder, for instance, was once one of the world's soundest monetary units. It was quoted at 53 cents before Holland was invaded. As this is written, this unwanted currency has an official exchange value of less than three quarters of a cent.

What are you going to do with that dollar in your

pocket? How will you help to maintain its worth and prestige? Today there are fewer ways of spending it, and every dollar squandered contributes to the danger of inflation.

The answer is, buy War Bonds. Only Victory can save the American dollar. And only adequate war financing can give American forces and their Allies what they must have to see the war through.

Unless your dollars join the fight, they may be as worthless as Frances later on. If they go to war, they'll come back to you . . . with interest.

The choice should not be difficult.

This advertisement contributed by the York Corporation, York, Pa., to the U. S. Treasury Bond Campaign



SOLUTION—

Acoustic Construction that "soaks up" noise

Telephoning from public telephones is often difficult because the standard telephone booth is a cramped, uncomfortable enclosure that keeps out fresh air but not noise. The common "pleated" door provides some privacy but makes getting in and out of the booth difficult.

Building a telephone booth that is (1) easy to step in and out of, (2) roomy and well ventilated, and (3) private and quiet for easy telephoning, sounds like a difficult job. Burgess engineers assembled a booth with hollow walls, filled these walls with sound-absorbent material, then perforated the panels so that noise could pass through and be trapped inside. With this patented Burgess acoustic construction it is possible to do away with the door entirely. When wartime restrictions are lifted these booths will again be available for widespread use.

BURGESS PIONEERING in acoustic development has produced many other quieting devices. Over 20 years' experience in the field of acoustics has made it possible for the Acoustic Division to successfully engineer products ranging from exhaust mufflers to ventilating duct linings. Why not write us of your noise difficulties? Acoustic Division engineers may already have worked out the solution to your problem.

BURGESS
Acoustic
DIVISION
Acoustic Division, Burgess Battery Co., 2817-P W. Racine St., Chicago



943 NATION'S BUSINESS for July, 1943

Through the Editor's Specs

The tide turns

NOT SO LONG ago the bookstalls were practically barren of conservative literature. The shelves were crowded with the works of reformers, collectivists, planners and so-called "liberals" who put their bright and shiny fallacies between covers as fast as the publishers could print them. And the public ate them up.

It's good to be able to report that a reversal of trend is under way. Thoughtful writers and students with a higher regard for the realities are taking up their pens, and the results are beginning to show on the shelves and in the bibliographies. It's only a beginning, but a significant one, and there must be a growing demand for such books, since the publishers do not thrive on philanthropy. Among the best examples we've seen—and which we've talked about before in these columns—are Robert Hunter's "Revolution" and Gustav Stolper's "This Age of Fable." Samuel Crowther comes forward with "Time to Inquire." James Burnham's "The Machiavellians" is another you won't want to miss.

Latest in the field is Mrs. Isabel Patterson, whose "The God and the Machine" is a searching analysis of individual freedom and an indictment of the constraints and restraints of political power. She shows with great clarity that there can be no real security in a society managed by government administrators, since the administrators must have power to enforce their will upon the people, and inevitably the only "security" is that of the administrators who maintain themselves by force. Recommended reading, along with Rose Wilder Lane's "The Discovery of Freedom."

Live and learn

AT THIS POINT we rise to congratulate the War Production Board upon the quiet dignity with which it announces an important finding in the case of women's hosiery, as stated in a recent press release:

"When women's shoes were rationed, it was expected that this would mean the purchase of longer-wearing, sturdier shoes, and that this, in turn, would stimulate the buying of sturdier hosiery.

"Opposed to this academic theory

seems to be the actual fact that the American woman still likes her stockings sheer."

Better luck next time, gentlemen!

Everybody's happy

IT TOOK a good deal of negotiating with the gendarmes to get the photograph of Alexander Hamilton's statue which we present to you on this month's cover.

The Treasury had suggested to us, along with other publishers, that it would be helpful if we could adapt our July cover to the Second War Bond drive. What better than the Treasury itself, we thought, with the magnificent statue of Alexander Hamilton, the first Treasurer of the United States, in the foreground? But when our photographer set up his camera, he was quickly surrounded by policemen, who are understandably suspicious of cameras in wartime Washington and wanted to see our man's permit to take a picture. While he carries a briefcase full of passes, credentials and testimonials, it hadn't occurred to him to get a special permit to snap a statue.

What with a 24-hour delay and the FBI examining our man's past, present and future, everything worked out all right. The permit was given, we present a dramatic picture for you, the patriotic theme is carried out, and we are assured by the proper federal agency that no military security is involved.

Rigging the thermometer

THE KEYNES and Morgenthau foreign exchange stabilization plans now rest on the anvil of public debate, and the pro and con hammers are being wielded with a right good will. One of the most comprehensive discussions we've encountered is that of Dr. Benjamin M. Anderson of the University of California at Los Angeles. Exchange instability, he holds, is only a symptom of currency instability in the weak countries. He objects that the Keynes and Morgenthau plans attack only the symptom, not the cause. He says:

Fixed rates in the foreign exchanges are eminently desirable. A temperature of 98.6 in the human body is eminently desirable, but a rigging of the thermom-



How to Make a Bed for a Railroad

YOU are looking at a "mechanical mole" regularly used to clean the ballast on the Erie roadbed.

This ingenious machine forces a cutting plate into the stone ballast to a depth of 8 inches or more. Up comes the dirty ballast, a rotary screen sifts out dirt and cinders, and a conveyor carries this dirt to the outside embankment. Then clean stone goes into place to give good support for ties and track—open channels for drainage.

Cleaning the roadbed is another step in Erie's program of efficient operation to insure fast, safe, dependable transportation. For a clean, well-kept roadbed means less vibration—smooth, easy riding. It is essential these days when America's railroads are doing their utmost in doing the world's greatest transportation job...and it's essential, too, in the peacetime job of tomorrow.



23,578 FREIGHT TRAINS DAILY

1,408,964 FREIGHT CARS DAILY

25,000,000 NET TONS DAILY

AMERICAN RAILROADS AT WAR

THE RAILROAD OF HELPFUL SERVICE

eter so that it will always record 98.6 regardless of the fluctuations in the temperature of a sick patient is a rather futile performance. And a rigging of the foreign exchange markets so that they will record fixed rates among sound and unsound countries, regardless of a deterioration in the fundamentals governing the values of the moneys of the unsound countries, merely masks the facts of financial disease and disorder and defers the time when these fundamentals must be dealt with.

We refer the professor's point to the full class for discussion.

A good start, anyway

ANENT our suggestion in the May issue that OPA could make a big hit by repealing the absurd requirement that citizens must write their car license numbers on the backs of their gasoline coupons:

The OPA now announces that next winter citizens will not be required to write their ration book numbers on the backs of fuel oil coupons. No action yet on the gasoline coupons.

Half a loaf is still half a loaf, in this case.

Monday morning chores

A MIDWEST firm, compiling a bibliography of books and articles on post-war problems, has asked us to round up everything we've printed on the subject. Going back over our files, the results surprised even us. In fact, almost appalled us, because the number of problems we've cited to our readers is already very large and we figured we were just getting started.

Which reminds us that you'll want to read the third in A. H. Sypher's series on the most important business post-war problems, in this issue. This series already has attracted a great deal of attention across the country. The staff calls it the "Monday morning series," for reasons apparent to anyone who has tried to get down to brass tacks on a rainy Monday morning after a large week-end.

At least 143 public and private agencies are now engaged in post-war planning on a national and international scale. That doesn't include the regional, state and local groups concerned chiefly with community or individual business planning.

Bombs for the homeland

UP IN NEW YORK state, the foreign language division of the War Bond Staff recently concluded a bond-selling campaign among groups of foreign descent, the proceeds to be earmarked for purchase of PT boats. The goal was \$40,000,000. When the returns were all in, the sum actually realized was \$81,705,089, which will buy 200 of the sea wasps.

Among the groups were many Americans whose lineage traces back to the Axis countries and their satellites. Germans bought \$3,635,396, Italians \$2,539,115, Austrians \$1,015,412, Finnish \$1,

762,613, Hungarian \$3,179,670, and Roumanian \$1,425,400. Sales sky-rocketed among groups whose homelands have been overrun by the Nazis. They bought out of all proportion to their numbers among the foreign language population. The Norwegians led the field with \$15,344,375, the French were close behind with \$15,203,106, and the Dutch were third with \$11,606,239.

We pass a milestone

NUMBER 400,000 came in this week. Mr. Net Paid Subscriber to NATION'S BUSINESS, we mean. He marched right in, just as we had picked up a rumor of another possible government cut in our paper tonnage. But we were none the less glad to see you, Mr. John P. Landreth of Chicago, president of the Spring Packing Corporation. You don't know it, but you're a sort of goal, objective, destination—no, milestone is better.

When NATION'S BUSINESS was launched as a magazine, plenty of skeptics thought no more than a handful of persons would pay cash money for a publication devoted to "the dismal science of economics," especially when it was presented as the house-organ of a national organization. One member of the Chamber's Committee on Publications, himself an outstanding publisher, dampened our early enthusiasm by saying, "You bring together 25,000 subscribers and it will be a miracle in the publishing field."

Well, here we are, at 400,000, and both our own growing family of NATION'S BUSINESS readers and the "dismal science" have been through a lot of "miracles" of one sort or another. We pause just long enough at the 400,000-mark to take a deep breath—then, paper restrictions permitting, on to half a million!

Why retailers go mad

FROM Section 23 of the OPA's MPR 355, governing retail ceiling prices for beef, veal, lamb and mutton cuts:

Fourth, the excess loin (lumbar) and pelvic (sacral) fat shall be trimmed from the inside of the full loin upon a flat surface, with no other support to change its position, meat side down, and removing all fat which extends above a flat plane parallel with the flat surface supporting the full loin and on a level with the full length of the protruding edge of the lumbar section of the chine-bone. Then all fat shall be removed which extends above a flat plane, using the following two lines as guides for each side of the plane; an imaginary line parallel with the full length of the protruding edge of the lumbar section of the chine-bone, which line extends one inch directly above such protruding edge; a line on the inside of the loin two inches from the flank edge and running parallel with such edge for the full length of the loin. All fat obstructing the measurement of the second line shall be removed. In addition to the foregoing, all rough fat in the pelvic cavity of the heavy end of the loin (sirloin) shall be trimmed smooth and trimming by a knife



PURE WATER is like Liberty— worth fighting for

AN efficient water supply system is a bulwark of public health, not only in the community it serves but to the nation at large. Epidemics of obscure origin can have disastrous and widespread consequences.

* * *

As a result of the far-sighted planning of water works engineers, most water supply systems are still rendering good service despite wartime handicaps. Defense requirements slowed down a nation-wide program of water works and sewage works construction for the protection of water supply by treatment plants and abatement of stream pollution. War brought it to a halt.

An informed public will insist that these vital services be restored to peak efficiency as soon as possible after the war's end. Pure water, like Liberty, is worth fighting for.

* * *

We publish this message in the public interest since our peace-time product—cast iron pipe—is used almost wholly in the public service. More than 95 per cent of this country's water mains are cast iron pipe which serves for more than a century.

NO. 1 TAX SAVER



Pipe bearing the above mark is cast iron pipe. Made in sizes from 1 1/4 to 84 inches.

CAST IRON PIPE

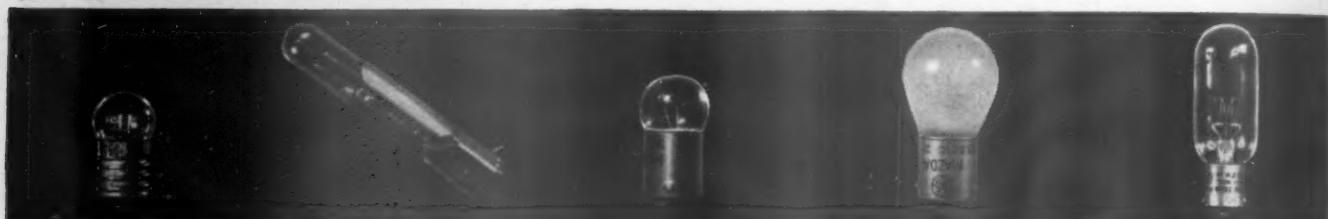
RESEARCH ASSOCIATION INCORPORATED

HE'S SHOOTING A LETTER TO THE ADMIRAL - with a beam of light!



When this masked marksman pulls the trigger, the nearby flagship will get an important message in dots and dashes of light, invisible to other ships in the convoy. The tiny G-E lamp used in this Blinker Signal Gun is one of more than 100 types and sizes of G-E MAZDA lamps used aboard naval vessels. Fifteen others are shown below. All are made to the same high standards as the G-E MAZDA lamps you buy for home, store, office or factory.

Making lamps for the Navy and other armed forces is only one of G-E's wartime lighting jobs. Speeding production in war plants, by eliminating glare and shadows is another. Ask your G-E lamp office for a free lighting survey of your plant. Or call your G-E lamp supplier or electric service company. General Electric, Nela Park, Cleveland, O.



Bulb for Safety Lantern that hangs on wall or stands on deck to provide light in case of circuit failure.

Telephone Switchboard Lamp. This lamp is also used by the Navy to illuminate instrument dials.

Instrument Illuminator for range-finder repeater, compass-control, and gyro-repeater panels.

Gun Sight Lamp. Provides even, well-diffused, high-intensity light for gun sight illumination. Inside frosted.

Shock-Resisting Lamp, developed originally for vacuum cleaners. Used by Navy for instrument illumination.



Portable Searchlight. Low-voltage. Concentrated filament for narrow, powerful beam. Also signal lamp.

Rough Service. For general illumination. Filament is specially-mounted to resist shock and vibration.

Spotlight to help planes land on carrier. Used to see if hook on plane engages arresting device across deck.

Wake Illuminator. Helps ships stay in formation by lighting wake. 2 filaments—second lights if first goes out.

Portable Floodlight. Hermetically-sealed "all-glass" damage control lamp. Powerful, accurate beam.



Water-Column Illuminator. Similar to showcase lamp. Illuminates water-column on turbines.

Floodlight to illuminate carrier deck when planes land at night. Used in standard heavy-duty housing.

Hangar Illuminator. Standard 300-watt lamp (same as used in war-plants) to illuminate hangars on plane carriers.

Movie Projection. Important in visual education and training. This is a G-E 1000-watt movie projection lamp.

Largest G-E incandescent lamp used on ships. 10,000,000 beam candlepower. Used in Navy's 24-inch searchlight.



G-E MAZDA LAMPS
GENERAL ELECTRIC

Tune in the G-E MAZDA lamp radio program Sunday at 10 p. m. (Eastern War Time) N. B. C.

shall be apparent. No fat remaining in the pelvic cavity shall exceed one inch in depth.

Now is the time for all good men to come to the aid of Butchers of America.

Looking facts in the face

A FAMOUS economist estimates that, at the outbreak of this war, the United States had six per cent of the world's population, 30 per cent of its wealth and about 36 per cent of the world's income. On this basis, he figures our *per capita* living standard is equivalent to six units of income, while the rest of the world, with 94 per cent of the population and 64 per cent of the income, has a *per capita* standard equal to two-thirds of a unit of income.

If we attempt to establish "equality" throughout the world, the people of the United States would have to reduce their income to six per cent of the total world income, so that 94 per cent of the population outside the U. S. would also have 94 per cent of the income. But if we did that, the *per capita* standard in the rest of the world would be raised only one unit, while our own citizens would lose five-sixths of their *per capita* income.

We speak of supplying our Allies after the war, and of rehabilitating the Axis countries. Can we do it without destroying our own living standards?

Mutiny against the bounty

LAWRENCE Sullivan, who authors "When Price Control Got Off the Beam" in this issue, is an indefatigable researcher. During his researches for this article he came upon the documented history of free federal food for the village school at Onsted, Mich., and we pass it along to you:

A government truck drove up to the schoolhouse (number of pupils, 354) and the driver unloaded 864 cans of evaporated milk, 312 pounds of cheese, 150 pounds of butter, 288 cans of pork and beans, 300 pounds of dried beans, 600 pounds of white flour, 600 pounds of graham flour, 30 bushels of potatoes, 240 cans of grapefruit juice, and 32 bushels of apples.

The amazed and mystified Onsted school board, having made no request for such bounty, queried Michigan members of Congress in letters asking, "Is there a shortage of these foods? Do our Allies need these foods? What is the game, anyway?" As a result of congressional investigation, the free federal food was returned to the Agricultural Marketing Administration's warehouse at Adrian, Mich. Congressman Michener of Michigan wrote a letter to Secretary of Agriculture Wickard:

It is difficult to make the taxpayers of a community like Onsted understand why they are not able to go to their local merchants and buy commodities they want, while federal bureaus are delivering unwanted quantities of the same foods, without cost or request, for free distribution to the schools.

The date was December, 1942—one year after Pearl Harbor.



Now More Than Ever The Symbol of Service

For more than 30 years, Cities Service has been working side by side with American industry . . . helping it to develop new ways to increase production and lower costs — *through better lubrication*.

Today, in an effort to help speed our all-out war production, Cities Service offers expert engineering counsel on all lubrication problems.

This valuable assistance, which in-

volves no cost or obligation, includes the services of the "Industrial Heat Prover" (exclusive with Cities Service) — an instrument which entirely eliminates guess-work in analyzing and solving combustion problems.

To make sure that no lubrication or combustion problem exists unknown to you in your plant, get in touch today with your nearest Cities Service office.

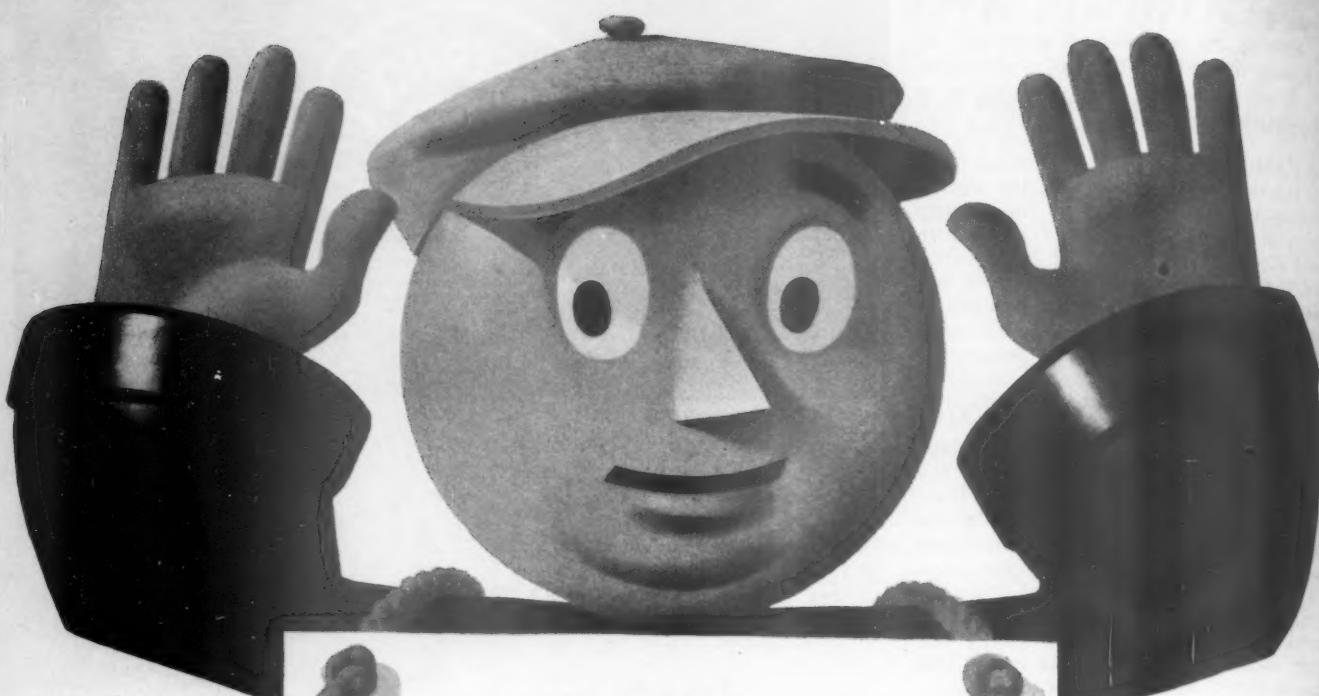
CITIES SERVICE LUBRICANTS SERVE EVERY INDUSTRY

Ball and Roller Bearing Lubricants	Cable Compounds	Crankcase Oils
Cutting Oils	Diesel Engine Oils	Extreme Pressure Lubricants
Engine Oils	Gear Shield Compounds	General Purpose Lubricants
Gear Oils	Hydraulic Oils	Insulating Oils
Marine Engine Oils	Mill Lubricants	Penetrating Oil
Rock Drill Lubricants	Rust Preventatives	Quenching Oils
Steam Cylinder Oils	Tempering Oils	Spindle Oils
Turbine Oils	Textile Lubricants	
	Worm Gear Oils	

OIL IS AMMUNITION—USE IT WISELY!

CITIES SERVICE OIL COMPANY
NEW YORK • CHICAGO

IN THE SOUTH
ARKANSAS FUEL OIL COMPANY
SHREVEPORT, LA.



A large, stylized illustration of a man and a woman's faces merged together. They have large, round, white eyes and a simple, smiling mouth. They are wearing dark, textured hats. Their hands are raised in front of them, palms facing outwards, with fingers spread wide. The background behind them is a light, textured surface.

"PLEASE,

MR. AND MRS. PUBLIC"

"Please think over the Long Distance calls you've made recently to war-busy centers. Won't you agree that some of them are unessential?

"All of these calls can't be vital, but we don't know which are necessary and which are not. You who make them can best decide that.

"We have plans to spend a billion and a quarter dollars to take care of your needs after the war but we can't do much about it now.

"If you will ease up on calls that aren't really necessary, we'll do our best to get the vital calls through with little or no delay."

P. S.—This is serious.

BELL TELEPHONE SYSTEM



MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

CONGRESS WILL SCUTTLE THE NEW DEAL'S \$2,000,000,000 subsidy program.

Subsidy funds may be voted for a few selected items which cannot be controlled otherwise, but the broad program is headed for defeat.

That's the opinion of legislative experts watching the heavy, behind-the-scenes battle between Congress and administration forces.

Good sources within administrative circles say plans call for spreading the subsidy program to all cost-of-living items, perhaps excepting rent, if Congress doesn't block them.

Labor organizations are squarely behind the plan for an obvious reason—it provides an indirect pay raise.

At least seven Congressional committees have delved into the subsidy program. Reaction is uniformly against it.

A bill flatly prohibiting subsidy payments probably would be vetoed, could not be passed over a veto.

Best bet is that Congress will insert clauses in all appropriation measures prohibiting the use of any funds appropriated in each for subsidies.

Administration battlecry is "We must control inflation."

Critics say subsidies would not help control inflation, but would add to it by increasing purchasing power in consumers' hands, already at its highest peak in history.

The plan, they add, is good politics, bad economics.

► Test of Bernard M. Baruch's influence with the Office of War Mobilization will be clear cut, his friends say.

Ever since the war began, the 72-year-old financier has had definite ideas about handling homefront problems.

At some time or another he has put up

a fight for these policies:

Absolute control of wages, farm prices, in addition to manufactured goods prices.

Consultation with industries affected in all policy-making procedures.

Closer cooperation of Army, Navy with the civilian war agencies.

Organization of industry committees to work closely with production officials.

Skeletonizing, not destroying, non-war business.

A flat rule against labelling any business as non-essential, for any reason.

If evidence of the adoption of these policies appears in OWM operations, it will indicate that Baruch's counsel is being followed.

► House approval of a bill to establish a joint Congressional committee to make recommendations on the disposal of surplus war materials and facilities is heralded by business men as good news.

Passage of this bill would mean that Congress, instead of the White House, will direct the distribution of \$75,000,000,000 in surplus supplies and \$30,000,000,000 in plants, equipment, real estate at war's end.

Five House members, five Senate members would form the committee, under terms of the bill sponsored by Rep. James A. O'Leary, New York Democrat.

This committee would hold hearings, listen to business men's advice, check into types, quantities, value, location and custody of surplus materials and facilities, make recommendations to Congress for legislation governing disposal.

Significant note: The Administration opposes the O'Leary bill, would prefer to handle surpluses through agencies under control of the executive branch.

► Uneasy rest the heads of many men who have cost-plus-fixed-fee contracts.

That arrangement may look to outsiders like a sure-fire bet for the contractor. But it isn't.

Government agrees to pay cost, plus a fee. But the catch is: What are allowable costs?

One manufacturer, urged to rush an order for critically needed parts, was unable to get the necessary tools. So he bought what similar tools he could get, rebuilt them.

Later the Government questioned the rebuilding cost, told him he should have got the right tools in the first place.

This single-cost item nearly equals the contractor's fee. Other manufacturers say that if the Government disallows even one per cent of their costs, they will lose on the deal.

► What share of the coal miners' pay raises wrung from the Government by John L. Lewis do you pay?

The Lewis scale affects 600,000 soft coal miners. A raise of \$2 a day would add \$1,200,000 daily to the nation's coal bill.

Of that amount, householders contribute \$120,000 every day. It is added to their coal bills.

Those who use manufactured gas kick in another \$120,000—every day.

Steel mills and factories (nearly all on war work) must add \$400,000 to their daily coal cost.

The nation's electric light bill, including your share of it, goes up another \$84,000 daily.

Operating costs of railroads are boosted by \$330,000 for each day.

The rest of the miners' pay raise is spread through a list of miscellaneous coal users.

Thus, the cost of the Lewis victory is spread over the war production cost, to be added to the national debt, and to the daily living cost.

► Storm clouds are gathering over the Rural Electrification Administration.

Watch for a strong blast at that agency's wartime activities. It will include an effort to force removal of Administrator Harry L. Slattery.

REA was formed in 1935 to lend money for the extension of electric service to farm areas not served.

Despite the wartime shortage of copper, REA continues to distribute millions from its "extension accounts."

Instead of extending service, the agency now is financing the purchase of established, privately-owned utility lines by farmers' cooperatives.

Those gathering material for the blast against REA say it has been active in instigating and organizing the cooperatives to which it lends line money.

Since 1935 the agency has lent \$474,000,000 of federal funds to give farmers electric service. Of that amount about \$50,000,000 has been spent to buy out established lines.

► This month 2,500,000 U.S. employers become Uncle Sam's tax collectors under the withholding plan.

A tip: Insist on your employees returning their filled-in exemption certificates promptly.

If exemptions are not computed in time for this month's first pay period the law requires employers to withhold a full 20 per cent.

Family men, due exemptions, probably would resent this, might direct their resentment at their employers rather than at the law.

► Bureau of Internal Revenue is trying to work out a formula for solving the most troublesome salary problem now facing manufacturing lines.

That is the problem presented when Washington-sponsored wage raises send the pay of factory workers higher than that of their frozen-salaried supervisors.

Internal Revenue's solution is a scale of increases for salaried supervisors, to be applied in plants where wage earners' rates are boosted.

Supervisors' raises would be smaller than those given wage earners'—just enough to keep them a few cents an hour above the workers they supervise.

The formula is not yet completed, nor is its adoption certain.

► Flow of materials to war plants is running heavier, smoother than at any time since the production push began. Production figures prove that.

Many executives in industry say this is despite, not because of, the Controlled Materials Plan.

CMP works fine for big plants that have staffs of experts assigned to materials problems, not so well for smaller plants lost under blankets of the complicated forms involved, they add.

But these smaller manufacturers, with some exceptions, are getting materials anyway.

This is because the materials supply is greater, assignments have been relaxed for strictly war plants.

► Frequently forecast manpower problems have not materialized in war industries, and will not.

That's the opinion of observers close to manpower matters. Their view, however, is limited to war program plants.

Manpower problems ARE developing in civilian service lines and will get far worse before they get better.

Laundries, particularly, have been hard hit by wage freezes, sharply increasing help shortages. Other service lines and stores are in the same boat.

Civilians will get less service as the war goes on. They will wear soiled shirts, run-down heels, wait on themselves in more and more stores.

A steady rise in production per man per hour, plus women workers, have prevented manpower problems from becoming serious in war plants.

► Watch for modification of the job freeze intended to prevent workers shifting from one essential job to another.

Organized labor has been battling the order, but only on a principle. Workers have found enough loopholes to make it ineffective.

Present plan is to permit transfers "under certain conditions"—in other words the loopholes will be "legalized."

► Results of the not-widely-reported employee representation election at Douglas Aircraft's Elsegundo plant may be significant.

The election followed two months of costly, intensive organization drives by both the CIO and the International Association of Machinists, former AFL affiliate.

The results: 44.7 per cent for neither union, 16 per cent for the CIO, 39.3 per cent for the IAM.

► Meat rations will go even below the levels indicated by the Government's newest point raising announcements.

Department of Agriculture already is urging farmers to slow up pig production, probably will try to curtail beef feeding.

Cause is shown in the recent dreary crop report. Corn may fall to the lowest level in recent years.

Carried over from last year is 500,000,000 bushels, about one-sixth of this year's needs.

Less corn, grains, mean less meat.

► An attempt to consolidate the views of American business men most interested in postwar international air transport will be made soon.

Those interested have never been brought together, first step in joining and thereby strengthening their forces.

Expecting to confer jointly are air transport operators, plane makers, important shippers, surface vessel operators.

Gaining favor among government officials who will have part in formulating official policy is a plan of establishing "international" airports throughout the world, allowing international competition among operators serving them.

► Demonstration of war-caused industrial upheaval, plus practical postwar planning:

Warner & Swasey of Cleveland, highly respected, long established machine tool makers, have passed their war peak, offer through an advertisement the use of their expanded facilities to other manufacturers.

They offer designing, engineering, manufacturing, selling, financing or managing. They invite proposals, including mergers.

► Insurance companies are still offering annuities, but are not pushing the sales.

Low interest rates on the investments in which the companies put the premium payments have made annuities unfavorable deals.

They will continue to offer them, however, for competitive reasons.

TOO LATE TO CLASSIFY: Washington hot weather wheeze: Civilian workers in the Army's huge Pentagon Building will demand portal-to-portal pay....And Wall Street workers want pay from the time they enter the uptown subway stationsODT Director Joseph B. Eastman confirms the prediction carried here that there will be no travel rationing this year....Postwar problem of American Legion's topkicks: Can we take in the 11,000,000 new eligibles without losing control to them?....Bond buyers' view of the war outlook: Belgium bonds due in 1955 are selling at 95, Norway 1965's at 88 1/2, Finland 1945's at 95....Construction industry has launched a detailed, careful analysis of postwar demands, including those expected on each material supplier—under U. S. Chamber sponsorship....Canners are threatening to disregard OPA's "unreasonable regulations" in order to get current crops packed....Fred Vinson will strengthen the influence of his chief, James F. Byrnes, on Capitol Hill. Vinson is a former Congressman from Kentucky. Byrnes was a popular Senate member.

BOHN



HERE'S THE HELICOPTER

Tomorrow is destined to be full of extraordinary surprises. Aviation experts tell us the Helicopter will be in everyday use.

This is the amazing airplane that is said will be within reach of the majority. It will handle as easily as a motor car. It ascends and descends vertically —flies backward or sideways as readily as forward. It can take off or land on

the roof of an average-size building.

The large variety of advanced light alloys produced by Bohn will be of great importance in making possible developments of this character.

Remember the name Bohn. Tomorrow when we return to normalcy, Bohn research staffs might be of invaluable service in designing new and better products for your requirements.



BOHN ALUMINUM AND BRASS CORPORATION, DETROIT, MICHIGAN
GENERAL OFFICES—LAFAYETTE BUILDING

Designers and Fabricators—ALUMINUM • MAGNESIUM • BRASS • AIRCRAFT-TYPE BEARINGS.

The Union Within a Union

OUR post-war planning—and 143 agencies, public and private, are engaged in charting our destiny—starts with the premise that we must have a greatly increased business activity. The figures for this national income run all the way from \$100,000,000,000 to \$250,000,000,000. Our top pre-war year was \$89,000,000,000. The larger figures are, therefore, impressive.

Most of the plans, if not all, leave out one important factor. Business activity does not "just happen." To produce more of no matter what, the individual must be prodded, or persuaded. Business is not self-starting. The pressure upon progress comes only from men of spirit, with the enthusiasm to do, plus the capacity to do.

Under our system of economic freedom, we have developed a most valuable asset—management. Managers plan, inspire and direct the energies of millions of us. They have imagination. So does the poet, but managers have *the courage* of imagination. They bring together men, materials and markets. They keep the United States a going concern. They speed obsolescence. They abhor stagnation. They accelerate turnover. They create and conserve employment. They put overalls on dollars. They are the walking delegates of pay rolls. They are the practical evangelists of the more abundant life.

Management's spirit and know-how should be, must be, encouraged and developed if our business activity is to be doubled. There is no other way. The promise of after-the-war for us—and the world—lies in our sober evaluation of the quality of management, in our recognition of it as a great national asset, in an encouragement too often recently denied. The test of any regulation and restriction should be: Will it cripple the arm of those upon whom the pressure of practical progress depends?

The manager is the symbol of economic freedom—freedom of consumer choice. The public official, who is often tempted to restrict manage-

ment, is the symbol of political freedom—freedom of the ballot. They are blood brothers. Each depends on the electorate. Each is accorded position because of peculiar ability. Each should fight for the democratic process which gives him being. Political freedom and economic freedom are Siamese twins. They thrive or suffer together. Each is the fine flower of the democratic process.

The glory of American democracy is its freedom of choice. Henry Ford, like all successful managers, was elected by the public no less than was Franklin Roosevelt. The competency of the Ford management was passed upon by customer-voters hour by hour, day by day. Freedom of choice makes of the lowliest citizen a sovereign. He can substitute any form of government on earth for the American Constitution; he can throw the biggest corporation into bankruptcy overnight by voting for its competitors.

Democracy does not claim perfection, nor does capitalism. Yet the union of the two has produced here a society of free men, who, in turn, have created a material well-being, measured by 30 per cent of the world's wealth and 36 per cent of its income, and yet with only six per cent of its population.

Here is a simple starting point for the citizen who must pass upon any National Plan for the future: Does it arbitrarily create a social and economic order to which the individual will be moulded into subordination, or does it provide for the making of men and women who are themselves competent and well-disposed to exercise freedom of choice in politics and economics? On this decision will depend whether the dignity and worth of the individual is to be preserved, whether the traditions of the American Republic are to be upheld.

Meredith Thorpe



AN EXPRESSION OF FAITH IN AMERICA

RECENTLY, Goodyear dedicated a new home for its bold and manifold research activities, now concentrated on war products.

Gathered here, in vast array, are the most modern instruments of scientific discovery—not only in the fields of natural rubber, synthetic rubber and its kindred plastics—but in fields also ranging even to aerodynamics and metallurgy.

More than a million dollars went into this building and its equipment. It is, we believe, the finest laboratory for its purpose in the world.

But it is not the completion of the structure which we emphasize here.

It is rather the beginning of a new advance—an advance already launched by the limitless demands of war, which will surely gain momentum with the peace to come.

For Goodyear's growth has stemmed not from the accumulation of properties or from finance—but from fertility of the mind and the serviceability of the prod-

ucts which this fertility brought forth. From the beginning Goodyear has steadfastly stressed research to advance the usefulness and value of its products.

It was this constant quest for improvement which, in the early days, originated the first straight-side tire.

It brought forth the first pneumatic tire for trucks and farm tractors—the first low pressure tire for airplanes.

It brought cotton, rayon and nylon cord tires to their high perfection.

It produced Pliofilm and Airfoam, twin advances in packaging and cushioning.

It developed the never-equalled Compass transmission belt.

It perfected bullet-puncture-sealing fuel tanks for airplanes.

It enabled America's first *all-synthetic* tire, produced by Goodyear in 1937.

And for 28 years now, it has won popular tribute, expressed in the fact that more people ride on Goodyear tires than on any other kind.

We cannot predict what this laboratory will bring forth in future.

But in the realm of possibilities—from the developments spurred by war—is such a range of products as nailable glass, wafer-thin insulating materials, hundred-mile conveyor belt systems, non-freezable plastic water pipes, metal-wood laminations for car and airplane bodies, mildewproof tents and awnings, static-free radio, all-welded airplane fabrication, crashproof airplane fuel tanks, and many like wonders on which we are now at work.

These will dictate in significant measure "the shape of things to come," forecasting the fullness of life which is ours to conceive and realize when peace returns.

So what we have dedicated is not a building, but the talents which this building is built to serve.

It is our aim to make it forever true of Goodyear, as of life in America, that "the best is yet to come."

Pliofilm, Airfoam, Compass—T. M.'s The Goodyear Tire & Rubber Company

GOOD YEAR

THE GREATEST NAME IN RUBBER

NATION'S BUSINESS for July, 1943



U. S. NAVY

Sea victories begin in the shipyards where breaking records has become a tradition

A Seven-Ocean Industry

By LARSTON D. FARRAR

ON THE NIGHT before the Allied invasion of North Africa, a huge gray American battleship appeared off the harbor of Casablanca, where the *Jean Bart*, mightiest battleship in the Vichy fleet, was anchored.

For months, the world had wondered what would happen if the French fleet were turned over to Hitler. On this November night, the mystery was solved, in effect.

The American battleship, her name is still secret, held its fire until officers could determine what the Vichy ships at Casablanca would do. When the French shore batteries opened fire, the American battlewagon unlimbered its guns.

What followed made history. In half an hour, the *Jean Bart* lay on her side, fatally injured by salvo after salvo from the American battlewagon. French destroyers, first maneuvering for position, then zig-zagging for free-

THROUGH the years when it seemed America might turn her back on shipbuilding, a few men stuck it out. They were ready to serve when the call came

dom, literally were blown to bits.

The new battleship ruled the roost within sweep of her magnificent guns, and it is believed that if any other battleship had been in the *Jean Bart*'s berth that night, it would have fared no better.

The news of this engagement spread exultation through the invasion forces. It caused great joy in Washington. But it had its greatest effect on the workers in American shipyards, ordnance plants and steel mills turning out the implements of war.

These workers recognized the naval triumph in the North African invasion for what it was—an industrial

miracle, and they were proud of the part they had played in making it a success.

Perhaps no other workers felt more exultation than the 300,000 men and women who work in the plants of Bethlehem Steel Corporation and its many subsidiaries. Certainly none could feel more pride than the 170,000 who work in the company's shipyards, because they have turned out a tremendous number of naval craft and merchant vessels. Every day, these workers see the results and importance of the weapons they produce.

Long before the public knows of a sea battle, Bethlehem workers are greeting battle-scarred warships in

for repair. But they don't talk. For many reasons, the full story of Bethlehem's shipbuilding activities has never been told in this war. Telling it now will give no comfort to the enemy. Briefly, it is this:

In 1941, Bethlehem delivered 36 ocean-going ships, repaired more than 4,500.

In 1942, Bethlehem delivered 162 ships, repaired 5,857.

In 1943, Bethlehem is delivering ships at a rate of better than one a day.

The total by next January 1 for this year will be 370 vessels of all types from aircraft carriers to Victory ships.

Many ships tailor-made

IN addition, in 1943, Bethlehem will refit, or repair, more than 6,000 ships.

The 370 ocean-going vessels Bethlehem will build this year will not be uniform, single-type ships. Many will be "tailor-made." Even while they are building, the Navy may recommend changes based on the experiences of other vessels in battle.

Among these ships will be flat-tops like the *Lexington* and the *Wasp*, cruisers like the *Canberra*, and destroyers galore, as well as DE's (destroyer escorts) and other custom-built ships, each embodying literally thousands of improvements, changes and improvisations.

Ability to handle that kind of a job is not learned overnight. In one sense, Bethlehem has been preparing for it since 1905, when Charles M. Schwab formed the Bethlehem Steel Corporation, which today has 47 subsidiaries and uses the talents of more than 30,000 suppliers and sub-contractors.

In another sense, today's task became possible in 1914, when World War One caused a swift growth of the Bethlehem Steel Corporation as a manufacturer of ships and heavy armament. In yet another sense, the present miraculous performance began on September 1, 1939, when Hitler's blitzkrieg hit Poland, and Great Britain began to send wounded ships to our East Coast for repair.

Before the war was a year old, it was obvious that Bethlehem's East Coast yards would bear the brunt of England's ship repair work. The shipyards of France, Norway and other European nations were closed to the British and her own repair yards were under constant air attack.

The British know that Bethlehem helped save England from destruction in 1940-1941.

Looking back today, Eugene Gifford Grace, president of Bethlehem Steel Corporation since 1913, says the 1943 program is possible because of a meeting in New York two years ago.

One summer day in 1941, Mr. Grace called the company's 15 top executives to New York. There he told them:

"Gentlemen, we are at war. American ships are being sunk. We are go-

ing to be together today until we know what part Bethlehem will play in this war. Our job undoubtedly will be a big one. We can spread it thin and perhaps lose some of our punch, or we can stick to the field we know best.

"The first question for us to settle is: Will we stick to our field?

"The second is: What program shall we follow in that field?"

Ten hours later, the conference ended. The talking was done. From then on, it was action.

Shouldering the load

EVERY meeting like this one puts some one man on the spot. That day, it was Arthur B. Homer, who was to have charge of a large part in the most fantastically big shipbuilding job ever conceived.

As vice president in charge of Bethlehem's shipbuilding activities, Mr. Homer directs a program under which Bethlehem has enlarged every one of its 12 former shipyards and has built three new ones from scratch. Helping him are such men as George Bates, general manager of all the yards in the New York area; A. S. Gunn, West Coast general manager; W. H. Collins, general manager, Fore River and Bethlehem-Hingham Yards; J. M. Willis, general manager, Bethlehem-Fairfield and Baltimore Yards; F. A. Hodges, manager, Sparrow's Point Yard; P. S. Andrews, manager, Boston Yard; and J. E.

(Continued on page 48)



Ability to turn out custom-built, ocean-going ships is not learned in a day but Bethlehem kept its crews together even when it looked as if we might become a nation without a fleet

know
n this
a big
d per-
ve can
settle
gram
e end-
then

puts
ay, it
have
most
ever

of
ties,
under
every
and
atch.
orge
the
A. S.
nger;
nger,
ham
nger,
more
spar-
ews,
. E.

Every
organized
nation
will face
similar
problems.
Some will
attempt to
solve these
problems
through
Communism,
others through
state Socialism.
In America,
we propose to
do the job
through our
American
system of
free enterprise.

"I did not become His
Majesty's Prime Minister,"
said Winston Churchill, "in
order to liquidate the British
Empire." By the same
token, our men in the armed
services, our business men
and workers, are not under-
taking the job of winning
the war in order to liquidate
traditional America.

However, certain influential
leaders, in and out of the
Government, are
advocating policies based on
the theory that, to avert widespread
unemployment and recurring economic
crises, the Government must embark
on a program of continued public
spending.

It is not the character or the size of
the spending projects planned for the
future that is important. The definite
challenge to our free economy is the
philosophy upon which this theory
rests.

The public spending philosophy,
steadily evolving in America over the
past decade, is now pretty deeply
rooted. Formerly public spending was
defended as a means to be employed
only in times of economic crisis to

Taxes Can Shape the Future

By Senator WALTER F. GEORGE of Georgia

WHEN the war is over, this country will face three basic problems:

1. **To provide employment** for from 55,000,000 to 56,000,000 workers.

2. **To produce a national income** large enough to support our economy.

3. **To provide effective social security** for each individual citizen. Regardless of any notions we may have had in the past, social security is now recognized as a Government obligation.

Every organized nation will face similar problems. Some will attempt to solve these problems through Communism, others through state Socialism. In America, we propose to do the job through our American system of free enterprise.

"I did not become His Majesty's Prime Minister," said Winston Churchill, "in order to liquidate the British Empire." By the same token, our men in the armed services, our business men and workers, are not undertaking the job of winning the war in order to liquidate traditional America.

However, certain influential leaders, in and out of the Government, are advocating policies based on the theory that, to avert widespread unemployment and recurring economic crises, the Government must embark on a program of continued public spending.

It is not the character or the size of the spending projects planned for the future that is important. The definite challenge to our free economy is the philosophy upon which this theory rests.

The public spending philosophy, steadily evolving in America over the past decade, is now pretty deeply rooted. Formerly public spending was defended as a means to be employed only in times of economic crisis to



CHARLES DUNN

IF WE are to retain our traditional system after the war, we had better establish fiscal policies now that will give capitalism a break

restore balance and to give relief. The Government was to accumulate the money for the spending in times of prosperity—and spend it in times of stress.

Emergency measure

IN 1933, it will be recalled, the pump-priming theory was advanced strictly as an emergency device. Later certain academic economists in government circles revised it. They advanced the proposition that depression is a chronic phenomenon in the free enterprise system. The capitalist or free enterprise system, they contended, is no longer capable of functioning, because the dynamic element in the system had been private investment—and private invest-

ment is no longer possible.

The frontiers of opportunity have disappeared, we were told. Population increase is slowing down. Technological development has matured. Opportunities for private investment are no longer open, the academic economists insisted. Private investment cannot be revived on a scale sufficiently broad to absorb the savings of the people. It is, therefore, up to the Government, these economists said, to bring the people's savings back into the stream of spending.

Out of this thinking, a new type of economic organization was proposed, a system under which the Government will become a continuous borrower of the people's savings, these savings to be poured into projects of various kinds to create national income. It follows that the national debt would rise steadily. This would be a desired accomplishment of Government instead of a *reduction* of the debt which we now consider the desired goal. We would continue to have deficit borrowing and high taxation.

Under the exigencies of war, this philosophy has taken a further and a bolder step. It was not at first proposed that the Government should use the people's savings to enter into, and compete with, private industry. But this is now being advocated. In fact, it figures in much of our postwar planning.

The picture of industry working at high pitch and giving bountiful employment on government orders is being cited as an ideal state of affairs which should continue after the war. We are hearing of co-partnership between government and private industry in certain enumerated key indus-

tries. The Government would use the people's savings to buy into these industries. This is a system which the American people will not willingly embark upon. They do not want the Government to become general employer. But they will, nevertheless, look to the Government for employment if private enterprise is not able to give it.

Our private enterprise system will be on trial. Either private enterprise will provide jobs for the workers released from the armed services and the war plants when peace comes, or the workers will turn to the Government to give them jobs.

They will do this notwithstanding that the Government, with its inadequacies, mistakes and policies, may have been responsible for the failure of private enterprise.

Can private enterprise meet the challenge? I believe it can if it is permitted to do so. The crying need of today is that we make sure that the Government adheres to policies which will insure that private enterprise has the opportunity to fulfill its responsibility. What should these policies be?

1. Established industry must be permitted to retain, and to plow back, some of its earnings that it may grow and keep modern.

2. Individual savers—those who buy insurance, put money in savings banks, buy shares in industrial corporations or industrial bonds—must not only be allowed to retain, but also to increase, their savings. They must be encouraged to see private industries growing and opportunities for individual investment and profit growing with them.

3. We must encourage the risk-taker, as distinguished from the investor and the going concern. The man who has ideas for new industries, for new enterprises and thus for more jobs, must be encouraged.

In connection with these three points, it should be remembered that more than half of the capital in American business is so-called equity capital. From what sources has this capital been obtained? We have issued and sold common and preferred stock; we have borrowed money from individual investors; but more than one-half of it, by and large, represents *reinvested earnings*. Public issues of common and preferred stocks and direct personal investments of the owners of business will remain important sources of equity capital. But there are strong reasons supporting the belief that, in the immediate future, *reinvested earnings* must be depended upon to provide even a greater part of the equity capital of industry.

4. Top-flight industrial managers must be given opportunity to grow and to take more responsibility within industry.

If you will look at these four principles of policy, you will readily see that practically all of our postwar planning falls within the four corners of our federal tax system. Most plans for the future give some attention to *taxation*, but we would be on sounder ground if we gave taxation even greater emphasis. Most of our domestic postwar problems which have engaged our attention (and I am excluding the all-important question of our relations with the rest of the world and of our participation in any kind of world organization) will take care of themselves if the laws permit.

Our tax rates at present are the highest in our history, and the "tax take" is much larger than any of the experts estimated at the time the 1942 Revenue Act was passed. But I do not suggest that the tax burden should be lighter now during the progress of the war. It is better that taxes be placed as high as we can now bear them, provided—and this is the important thing—that the Treasury makes a reasonable portion of such taxes available to individuals and corporations after the war *for use as reserves* in peacetime production.

Direct tax levies cannot be greatly increased, if at all, during the war, but additional levies may be made for the purpose of savings or loans. Provision should be made at once for legalizing adequate reserves both to the individual and to the corporation.

To sum up, the problem of survival for our private enterprise system comes down to this:

Industry must be given opportunity to provide constant postwar employment. Industry must be financed. Free enterprise supplies the required funds from savings—from accumulated earnings, from investors, from creditors. The people's savings, in turn, have their source only in earnings.

The circle is simple: The system lives upon the savings of the people; those savings are available only if industry can offer an attractive inducement—and *hope of profit* after taxes is the sound incentive. But the circle is also fragile. It is broken, perhaps beyond repair, if taxes destroy all hope of profit. When the circle is broken, then free enterprise cannot function; and the Government then becomes the borrower of the people's savings and attempts to invest them in projects for the creation of national income.

There are factors favorable to the postwar prosperity of private enter-

prise. First, however, it may be noted that the major engineering problems of reconversion to peacetime operation may not be as great as commonly supposed. An economist of note has estimated that difficult engineering problems of conversion will be confined to industries responsible for less than ten per cent of commodity production. But, at the end of the war, it is certain that deferred demand and shortages will be large, perhaps.

It is also certain that the expendable surplus of the people in the form of cash, demand deposits, time deposits, war savings bonds and the like, will be larger than ever before. This spendable surplus has been called liquid surplus assets, and it is reasonably certain that the people are holding such assets, not for permanent saving, but to spend when the opportunity exists.

There are also factors *unfavorable* to the prosperity of postwar enterprise. Private enterprise must face termination of contracts with huge sums due from the Government. It must also face the possibility of a huge volume of government-owned surplus property. These factors, with excessive taxes and severe regulations of many kinds, can place private enterprise in a vise.

No profit in wartime

DURING the war, at least during a reasonably short war, the immediate profit return to industry, to its owners and creditors, becomes a secondary consideration. Industry generally has turned to war production without regard to profits. Industry is to be commended on its position that it seeks no unreasonable profit from war. But we must not destroy confidence in future profits.

Congress adopted the Revenue Act of 1942 with all these factors, and many others, considered and balanced. Its high rates can remain in force during the war only if there is hope of reasonable taxation after hostilities cease.

The American people are united for victory, for final victory. In the crucible of war, which is not yet won, America is finding her soul again and more and more our people will shake themselves free of seductive voices, speaking in terms of old-world theories and concepts falsely advanced as the basis of progress.

We will constantly strike for security—security for all our people—but we will not forget that all the large pages in human history have been written by the men and races who were willing to fight for economic freedom, civic and political liberty.

Test for a Double Victory

By LAWRENCE N. GALTON

MIDDLE-AGED Corps, drafted for war work, is changing the ideas of personnel men

SEALING radio and high-power electronic tubes is a delicate job. A glass bulb, big as a toy balloon and filled with tiny metal parts and hair-fine wires that cost hundreds of dollars, must be fitted onto a special lathe. The alignment must be accurate.

Once the set-up is completed, the lathe begins to turn and the operator must wield his "flame-throwing" gas burner so that the tube ends are melted and an airtight seal is formed. He must use a paddle, too, against the hot glass end, shaping it as it turns.

Such work takes a steady hand, experienced judgment, keen eyes and concentrated effort. It has always



Scott Selman, a veteran actor, finds he can perform well as an industrial worker



Joseph Branigan, 67, one of the older men who have learned new tricks in the delicate art of sealing electronic tubes

been a young man's job. The employment men showed the operation to tall, heavy-set Herb Royal. This, they told him, was to be his war job.

"But I've had 54 years of absolutely no mechanical experience," he reminded them. "None whatsoever."

"You'll learn."

After staring at the operation a few more minutes, he shook his head. "No," he said. "If you expect to teach me that, you're crazy."

Today Royal, after three months' training, is doing that job expertly. It takes the average workman six months to learn. All about Royal, other men, 40 to 67 years old, are doing similar work—none of them had ever handled such jobs, many had never worked with machinery at all.

"The Middle-Aged Corps," as the
(Continued on page 68)



People accept rationing and price-fixing as a matter of course in wartime . . .

IN APRIL, when OPA was just two years old, it submitted its annual budget for the fiscal year beginning July 1, 1943. Congress was shocked. The budget called for \$177,335,000—about \$25,000,000 more than was appropriated for the entire United States Navy in the fiscal year ended June 30, 1916.

A number of men in Congress remember the Navy of 1916. It comprised 346 vessels of 1,500,000 tons displacement. Officers and enlisted personnel numbered 66,653 men.

No wonder then, that, when the OPA budget reached the House Appropriations Committee, eyebrows were lifted.

"What are those fellows doing up there? Are their operations worth this much?"

These, as it turned out, were fair questions because nobody in Washington really had a clear conception of what OPA was doing. Informal inquiry developed that OPA itself was not altogether certain.

The thing had begun in April, 1941, as the Office of Price Adminstration



and are eager to cooperate against inflation, but OPA's conflicting orders are keeping goods off the grocer's shelves . . .

and Civilian Supply, created by presidential decree. On the staff were Leon Henderson and eight assistants. To begin operations, the President allocated \$75,000 from emergency funds. But the work expanded prodigiously. Every time one price was fixed, another got out of hand.

The Price Control Act was approved January 30, 1942. In April, 1942, OPA's first annual budget went to

Where Price Co

OPA was set up originally to control prices and rents. Soon, however, its activities included everything from limiting inventories to prescribing manufacturing methods. To carry on its work for the coming year, it asked Congress for \$177,335,000

Congress. It contemplated an organization of 90,000 persons. The funds requested were \$110,000,000. Congress whacked off \$20,000,000. Then came the second budget asking for \$177,335,000. Congress determined to have a look-see.

Committee members were surprised to learn that OPA was attempting, not only to control prices and rents, but to specify the length of women's stockings.

Price Control Got Off the Beam

By LAWRENCE SULLIVAN

ings, limit retail and wholesale grocery inventories, prescribe manufacturing processes for hot water bottles, define roast beef and fix margins of profit in 56 industries.

Congress launched three simultaneous investigations of OPA—through the Truman Committee of the Senate, the House Committee on Small Business in Wartime, and the House Committee on Bureaucratic Excesses, the latter headed by Representative How-

sabotaged it, either through total ignorance of the business they are charged with administering, or deliberately with subversive intent. Eleven months ago I would have preferred to accuse them of ignorance. Today, I am inclined to accuse them of subversive intentions."

In the same vein, Rivers Peterson, managing director of the National Retail Hardware Association, charged that OPA regulations which attempt

close their doors unless rationing rules were simplified.

In Virginia, a local real estate board charged that OPA rent control had reached "the point of confiscation and control of property without trial or due process of law."

Many complaints reaching Congress from the business community charge that confusion in OPA orders flows chiefly from divided sentiment among the top administrators as to the ultimate ends to be achieved. Congress established OPA as a *price control* mechanism, providing in Section 2-h:

"The powers granted in this section shall not be used, or made to operate, to compel changes in the business practices, or cost practices, or methods, means, or aids to distribution established in any industry, except to prevent circumvention or evasion of any price ceiling established under this act."

Toward Socialism

INSTEAD of following this mandate, many OPA administrators have seized upon the price control mechanism as a heaven-sent opportunity to reorganize the whole pattern of American business along the lines of state Socialism.

In some instances, they have presumed to reduce or eliminate entirely the normal margins of profit. In other lines, they have undertaken to limit inventories arbitrarily, and to prescribe standards in packaging and retail services. Amid all this eager reform, the major job of controlling prices often has become almost a secondary consideration.

Testifying before the House Small Business Committee, Rowland Jones, representing the National Association of Retail Druggists, thus presented this aspect of OPA operations:

"We believe that the Office of Price Administration has much more important tasks facing it than an attempt to revolutionize any business or industry. The wide dispersion of activity by OPA is responsible for its failure to deal successfully with the main issue and its main job—the control of inflation. OPA has embarked upon pro-



.. while in some cases, at least, the ceiling prices are so muddled, it does not even pay the farmer to send his crops to market

ard W. Smith, of Virginia. Before these committees, American business men for the first time were afforded a hearing on the obstacles OPA regulations placed before them. A spokesman for the apartment house owners of Cleveland charged bluntly:

"A personal opinion, which was developed from my contact with certain officials of the Rent Section, is that the men administering this act have

ed "to control every element of the trade" were forcing independent dealers out of business.

Earl Constantine, president of the National Association of Hosiery Manufacturers, testified:

"Misunderstandings, suspicion, and even malice are what we have experienced with OPA."

In New York, at a mass meeting, 2,000 restaurant owners threatened to



How Organized Business Would Control Prices

BUSINESS MEN are greatly concerned over OPA's failure to achieve the basic objectives laid down by Congress. In stating their views to Congress, they are merely calling attention to the chaotic state of affairs which has resulted because OPA has built its foundations on shifting sands of expediency.

Even under the most favorable circumstances, the job of administering rationing and price controls is a tough one. The size and complexity of the task make it imperative to rely for guidance on those with practical experience. Yet, suggestions for making price controls work, advanced by business men since the inception of OPA, have been largely ignored.

The Chamber of Commerce of the United States favors adequate price control measures for checking inflation. It supported such measures in the first world war; it is supporting such measures now.

In substance, the views of business men regarding price controls, as expressed by the Chamber's membership at the War Council in New York City, April 27-29, can be summarized as follows:

"Price controls should, in the first instance, be applied at the points where prices of raw materials and finished products are determined.

"At the wholesale and retail levels, controls should be in terms of regulations allowing merchants to add to the cost of merchandise their established percentages of markup in order that they may maintain their business existence.

"In all price controls full account should be taken of changes in labor and other costs.

"Price control should not be administered for purposes of profit control.

"To make price regulations workable under actual business operations, the experience and understanding of trade associations should always be used in the drafting stage. No regulations should be issued without full discussion and consultation with representatives of the field affected.

"Demands by government agencies for questionnaires and reports should be reduced, should be more simplified, and further coordinated.

"There should be scrupulous care not to use classifications of enterprises, or other devices, that will violate the clear intention of Congress in its prohibitions against actions requiring changes in established business practices and methods, or disturb competitive conditions.

"There should be no payment of subsidies for the production and distribution of commodities unless Congress itself finds that the public interest requires such payments, and fixes by law both the scope and the rate."

These practical suggestions from retailers, wholesalers, the service trades, and manufacturers engaged in production and distribution, reflect the accumulated experience and matured judgment of Americans whose purpose is to win the war, and who are convinced that control of inflation must be an important part of the program for winning ultimate victory.

ARTHUR B. GUNNARSON

Manager, Domestic Distribution Department,
Chamber of Commerce of the United States



cedures that constitute meddling in all the technical and economic details of management in 1,700,000 retail establishments."

Jones pointed out that, although retail druggists were frozen at their March, 1942, prices on 99 per cent of their volume, every item of operating cost, including wages, rent, maintenance and inventory replacement, advanced from month to month:

"OPA has allowed costs to mount to a point where the druggist has three choices: to lose money; to violate the law; or go out of business. We believe some fatalities among retailers are inevitable but, if the maladministration in price control is not corrected, the death rate for small business enterprises will be enormous. If not corrected, prevailing price control policy will continue to grope in the maze of its own making; black markets will absorb more and more of the goods available for civilian consumption; and, in the end, the degree of inflation will not be less than it would have been had we had no price control legislation at all.

"Only Congress can now clear up the administrative chaos that has resulted."

Retailers' margin cut

AFTER freezing all retail prices at the March, 1942, level, OPA authorized numerous price increases at wholesale, forcing retailers to absorb the entire increase. On one biological chemical, an 18 per cent increase was authorized at wholesale. But OPA required the wholesaler to notify each purchaser that the increase must not result in a higher retail price. This order cut the retailers' margin in half. By this device, several hundred wholesale ceilings have been lifted with no concurrent increase in the old retail ceiling.

"It is economic murder, so far as the retailer is concerned," Jones told the House Committee.

In another case, a candy manufacturer was authorized to increase his wholesale price 6.25 per cent. The order required that the trade announcement carry this language:

"The OPA has not permitted you or any other seller to raise maximum prices on the sale of said item. In order that we may continue to supply you, it will be necessary for you to accept this reduction in your margin."

In this instance, the item in question did not offer an average retail margin of six per cent. The net effect of the order, therefore, was to require the retailer to sell it at a loss if he offered it at all.

(Continued on page 42)

Who Will Boss Our Trade?

By A. WYN WILLIAMS

U. S. Correspondent,
Manchester Guardian

WE NEED practical answers to practical questions before we embark on financial adventures based on any kind of theoretical money

FANTASTIC economic theories, which in the past decade have influenced America's domestic policies, are now being projected into international trade and finance.

Recently two panaceas have been offered to guarantee a healthy post-war trade and, at the same time, to stabilize world currencies.

One plan, put forth as a British proposal, is known as the Keynes plan. The other, presented to Congress by Secretary Morgenthau, is known as the White plan. Both appear to have been inspired by the economic thinking of John Maynard Keynes, author of the British proposal.

The Keynes plan calls for an International Clearing Union; the White plan for an International Stabilization Fund—an international super-bank. Fundamentally, however, both plans are pretty much alike.

Lord Keynes has long been known for his revolutionary ideas on money matters. These ideas, rarely incorporated in his own country's governmental policies, have received readier acceptance in the United States, especially in recent years.

Both the Keynes plan and the White plan apply to the international field. Lord Keynes' pet theories, such as:

1. Permanent prosperity depends on a managed currency and a low, or even a vanished, interest rate.



RALPH PATTERSON

British parliament has raised the question: "Will the U.S.A. be milch cow for the world?"

2. The intervention of the State by creation of public works ("pump priming") is useful in creating continuous prosperity.

Lord Keynes received world-wide attention in 1923 when he propounded, in his "Tract on Monetary Reform," the view that the pseudo-gold standard of the 19th Century was an archaic monetary mechanism. But in 1925, the conservative British Government, utterly disregarding his theories, went back to the gold standard.

That Lord Keynes himself was not so sure that he had been right in 1923 seems indicated by the fact that he concurred in the report of the Macmillan Committee appointed by the British Government in 1931 to inquire into the workings of the gold standard. The report stated:

There can be little or no hope of progress . . . for the monetary system of the world as a whole except as a result of evolution starting from the historic

gold standard. (Page 109, Report of Committee on Finance and Industry, 1931.)

However, in drawing the plans for the postwar world, Lord Keynes has evidently had another change of heart, because he now brashly brushes the gold standard aside:

"The purpose of the Clearing Union is to supplant gold as a governing factor" (Par. VI, Sec. 26).

After the depression of 1930, the Bank of England refused to combat the trade depression by an expansionist policy based on cheap money, while the Government itself, instead of adopting a program of public works which Keynes advocated, resolutely balanced its budget.

There was no deficit financing in Britain!

The United States chose to follow the Keynes theories of cheap money and pump priming. The record shows that Great Britain recovered from the depression much more rapidly than

we did. In spite of that example, the Keynes theories on cheap money find their place in both the British and American plans for postwar finance. In both schemes, so long as countries keep within the limits of their initial credits, they pay *no interest* for their accommodation, and when their credit is exceeded, the charge is only one per cent.

Lord Keynes, in fact, has such a low regard for money that the Clearing Union which would be set up under his scheme would begin with exactly zero assets!

The White plan—the American plan—provides for some assets. Each country would provide some gold, some of its national currency and some of its national securities for the international bank.

It is doubtful, however, whether the currencies and securities would, in the case of many countries, have much more value than the zero assets Keynes proposes.

How plans will operate

THE FUNCTION of the asset-less International Clearing Union proposed in the British plan would be to dispose of the unequal balances that occur when one country sells more than it buys or vice versa. All the United Nations are to be invited to join the Union immediately and other non-belligerent nations may be invited later.

A new international currency called "bancor" is invented, and to this the nations are to relate their national currencies instead of to a gold standard.

Each nation joining the Clearing Union would receive, as its quota of bancors, a sum calculated on its average foreign trade in the three years before the war. This quota of bancors would determine the nation's voice in the management of the Union's affairs and the extent of its rights to enjoy the Union's credit facilities.

As Great Britain had about 50 per cent more foreign trade than the United States before the war, it would have a larger voting power. The United States would be at a still greater disadvantage if the other nations in the British Commonwealth voted with Britain in any conflicting matter of policy.

How such a division of power was ever incorporated in a scheme which

the British Government wishes discussed is hard to understand. It was a similar question that prejudiced America against the League of Nations.

Under the plan, nations wishing to join the Union would agree to accept bancors in lieu of any currency balances due them from other nations. In pre-war days, currency balances which there was no immediate prospect of liquidating by an exchange of goods, would have been settled with gold.

The following will illustrate, by an extreme example, how the Union is expected to work: Let's assume for the moment that the \$22,000,000,000 stock of gold which the United States now possesses has all been acquired as the result of favorable trade balances (not all of it was, of course). Had the Keynes scheme been functioning when

Union appropriate measures for disposing of its favorable balance.

This envisages interference in the domestic affairs of the creditor nation. Because the nation with a favorable international trade balance (and the United States has been the leading example of such for the past 30 years) must, according to the Keynes scheme, do one of four things:

1. **Expand its domestic credit.** (By domestic inflation.)
2. **Increase the value of its national currency in terms of bancors.** (This in a scheme for stabilization of currencies!)
3. **Reduce its tariffs.** (A country should be allowed to decide this for itself without instructions from self-interested outsiders.)
4. **Float foreign loans.** (The good old days of 1920-29!)

[The comments in parentheses are the writer's.]

There is *no way* in which the nation with a credit balance can recover its credit balance represented in bancors by converting them into cash. While it is permissible for a nation to establish a credit with the Clearing Union by paying out gold, "no one is entitled to demand gold from the Union against a balance of bancors" (Par. 11, Sec. 10).

It is all a case of, "Head I win, tails you lose." No wonder that, in the British Parliament on May 18, discussion occurred over a charge that the Keynes scheme was making the United States "the mildest cow of the world."

World bank

THE American plan differs from the British plan mainly in that it contemplates an International bank with some *tangible assets*. The bank would start with an initial capital of \$5,000,000,000, only half of which is to be subscribed at the beginning.

Each country would be assessed its quota to the fund on the basis of its holdings of gold, its holdings of foreign exchange and foreign balances, and its national income.

For their assessed quota to the bank's capital, the countries are to contribute three kinds of assets: 12½ per cent in gold; 12½ per cent in national currencies; 25 per cent in government securities. The government

(Continued on page 66)



The dollar, based on gold, can be the safest anchor for transactions in foreign trade

this balance was acquired, the United States would not have a tangible asset to show for its success in foreign trade. Instead of \$22,000,000,000 in gold it would have figment money—22,000,000,000 bancors or whatever number the Clearing Union decides after relating the bancor to the dollar.

However, if the Keynes Clearing Union becomes an actuality, it will be impossible for the United States ever again to have such a lopsided tribute to its international merchandising ability. When any nation has an excessive credit balance as a result of its success in foreign trade, it will have to discuss with the Board of the Clearing

Feeder and Fighter, Too

By HERBERT COREY

"WHAT is a havelock?"

In 1942 that was a \$2,000,000,000 question.

If some nosy guy had gone around asking it, it might have cost 200,000 lives. If he had asked a Quartermaster, one of them might have been his own because the Quartermaster first and foremost is a fighting man.

The Corps is proud of the way its men fought on Bataan and in New Guinea, not only against the Japs but against the—two words stricken out—bugs.

In Quartermaster opinion a man who has only to shoot off a rifle now and then or toss a light grenade a few yards is lucky. He ought to try getting a jeep out of New Guinea mud or keep

the native bearers from carrying freshly baked bread under their arms.

"And them sweating."

Such chores are routine with the Quartermaster Corps which feeds, clothes and supplies the Army—

7,000,000 men now, more or less, and soon to be 11,000,000 or so—and aims to do that considerable job without missing a meal or letting a soldier go to war with torn pants.

The havelock offered a different kind of challenge.

Sir Henry Havelock was a British general in the Indian mutiny of 1857. He invented, or got credit for inventing, the reverse motion veil that sol-

WITHOUT the Quartermasters, the Army couldn't carry on. They see that our soldiers get what they need wherever they may be

diers in hot countries hang over their necks to keep the inordinate sun from knocking them limp.

When President Roosevelt and Prime Minister Churchill decided in June, 1942, to strike the Nazi forces in North Africa, the Quartermaster Corps was told to prepare the 70,000 some items the Army would need. Every one of those items was G.I.—Government Issue—more or less formalized and commonplace, except the havelock.

"If the Axis had gotten wise to item XY—that's the havelock—our whole African expedition could have been spoiled," a Quartermaster told me.

If one Nazi agent had so much as heard the word, he could not have escaped knowing that the North African expedition was being planned. The rest would have been easy. A forewarning might have made that expedition impossible. It certainly would have made it infinitely more costly. If we had been forced to abandon it or had sustained crippling losses, the whole course of the war might have been changed.

What is a havelock?

IF one man out of the thousands who knew had merely asked the wrong man, "What is a havelock?"

This Quartermaster conveyed the impression that to keep in utter secrecy a thing made by hundreds of manufacturers and so freakishly cut that it was bound to stir curiosity was just a detail in a business that is beyond doubt the biggest in the world.

It is true that Germany and Russia both have larger armies than we have at present. But they had had time to build up their stockpiles. We had to start from scratch, convert factories, prepare foods, work out new devices, replace critical materials with plastics, buy everything we could wherever we could, provide our Allies with whatever we could spare. However,



AMERICAN OPTICAL CO.

Mobile grinding outfit for making new eyeglass lenses. Units like this hover close up to the front lines, are manned by fighting men

he said modestly, we might have heard of the Quartermaster who took the wrong detour when he died. The devil, he said, met him at the gate.

"Come on in," he said cordially. "I'll show you around myself."

At the end of the day the devil asked the Quartermaster to write a few words in the visitors' book just to show his appreciation of the really magnificent organization the Devil had built up. The Quartermaster said he wasn't sold on it.

"Listen, guy," he said. "Whyn't you go somewhere and cool off and let us Quartermasters run hell a while? We're used to it."

No modern army could function without the Quartermasters. They provide the foundation on which the

ing and storing that food. Because fires, floods, submarines, storms at sea and bombing are legitimate business risks, a backlog of approximately nine months' supply is considered safe for the troops overseas.

Provide mules, too

THE soldier gets fresh fruits and vegetables when they are available. They are dehydrated and meats are boned to save cargo room and weight. Special sizes and forms of cans and packages are provided.

Containers are waterproofed and floatable as protection against rain and surf. They are made up in 70 pound weights, that being a one man load. From two to four go to each mule

the bars proved so delicious that the soldiers ate them like mad instead of keeping them for emergencies. Logan tried to discourage this by doping them with kerosene. It didn't work. The Quartermasters set up schools of cookery which turn out Army cooks ranging from fair to very good. The classification service picks the candidates by examining their pre-war occupations. Sometimes this fails.

"We had one class of 90 men who couldn't even boil water. They were the worst misfits the Army ever had. Come to find out they had all been cooks before they got into the Army and they'd had enough."

A soldier eats five and one-half pounds of food each day, and today 35,000,000 pounds of food are bought



U. S. ARMY SIGNAL CORP.

Quartermasters let nothing go to waste. Here they are testing out a mobile refinery designed to reclaim used crankcase oil from more than 3,000 vehicles a month

whole intricate structure is erected. Before the first conscript entered the first camp, a committee of dieticians had planned what he should eat. They were pretty good at it, too. After a few days in camp the rookie calls for the nearest practicable resemblance to army chow when he goes to a restaurant. The dieticians think the nation's eating habits may change when he comes home . . .

"He will want army food then. Hearty stuff. Not doodad salads with goo on them."

The Quartermasters have been buy-

when mules are used. The Quartermasters provide the mules, too.

Several styles of iron rations are provided to meet the necessities of operating units. A parachutist carries a neat can that weighs little and is easy to open. Doughboys get rations containing butter that will not melt and a chocolate bar that will not get slippery in warm weather.

"They're not using kerosene in it any more."

Col. Paul P. Logan, assistant chief of the Subsistence Branch, worked out the formula on his kitchen stove and

each day. Colonel Logan said recently that the food cost alone is about \$1,000,000,000 annually and that deliveries are being made in stations from the Arctic to the Antarctic, in Asia, Africa, Europe, Australia, South America and islands in every ocean.

About 71,000,000 pounds of quick-frozen foods will be bought this year. It's up to the Quartermasters to get the chow to the men wherever they are. On Bataan they ate the cattle and then the water buffalo and then the horses and mules. One of their minor

(Continued on page 52)

What's a life insurance company got to do with Pigs?



IN THE meat-rationed months ahead, 225,000 hogs will be marketed from farms that Metropolitan helped to put on a productive basis. Many an American family will enjoy a fine roast of pork from one of them.

What's a life insurance company got to do with pigs? Simply this . . .

Agriculture has always been a basic American industry, and helping to finance it has been a proper investment for life insurance companies. Thousands of loans have been made by life insurance companies to help farmers improve their lands and buildings and thus increase food production.

Metropolitan has been active for over 25 years in making farm loans. In addition, Metropolitan has had the opportunity to rehabilitate a good many farms under Company management. A majority of these have since been sold to real dirt farmers, but some still remain in the Company's possession.

This spring found these farms ready to take part in a wartime pig-raising program. Inasmuch as these farms are broadly representative of the farms on which life insurance companies have made loans, we'd like to give you some figures.

In answer to America's call for more meat, these farms will help produce, directly or indirectly, about 175,000 pigs this summer, and perhaps another 50,000 pigs next fall. This is an increase of about 28 million pounds of pork over that produced on the same farms in 1942.

This year, pork production on these farms will total nearly 65 million pounds . . . enough to provide one million Americans with more than one pound of pork each week for an entire year! In addition, these farms will put 1800 head of beef cattle on the market this summer. Next fall, 2000 more head will be put in feed lots.

Meanwhile, Metropolitan policyhold-

ers, through their Company, have made and are making an important and much needed contribution to the nation's wartime food supply. Every time they pay their premiums, policyholders express their own faith in the future of the nation and in the future of American agriculture, helping farmers contribute to a healthier, more abundant America.

COPYRIGHT 1943—METROPOLITAN LIFE INSURANCE CO.

75th ANNIVERSARY 1868-1943

**Metropolitan Life
Insurance Company**
(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD
Leroy A. Lincoln,
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.





ROY F. HENDRICKSON has more to do with the food business than any other government administrator, but lets others take the headlines

EVERY DAY Roy F. Hendrickson buys \$7,000,000 worth of food. By December, he will be buying at the rate of \$10,000,000 a day.

As director of the Food Distribution Administration and as deputy to War Food Administrator Chester Davis, Mr. Hendrickson has more to do with food than anyone else in America.

Judging by volume, he is the greatest allocator and distributor of food in history.

Mr. Hendrickson issues "set-aside" orders forcing canners to hold back part of their pack for shipment abroad. He tells Prentiss Brown when a commodity may, or may not, be rationed. He tells wholesalers they must reserve a portion of their stocks for his purchase.

He tells food processors they must limit production in certain items and increase it in others. He tells Edward Stettinius whether or not more food can be shipped to Russia—or England—or Iraq.

The Man Who Knows Your Groceries

On top of all that, Mr. Hendrickson finds time to administer the School Milk Program, to supervise meat-grading, to direct public feeding programs, and "to plan for the needs of special groups based on nutrition requirements."

A mere outline of his powers and duties fills many pages of small type. All of his duties affect the business man in one way or another.

At 39, Roy F. Hendrickson is at the highest point of a ten-year government career, getting the highest salary (\$10,600) he has ever received, and can look back on a long series of promotions. Typically, he came through the latest shake-up occasioned by the arrival of Chester Davis from St. Louis.

On the first morning Mr. Davis took office as administrator of War Food Administration, succeeding Claude R. Wickard, Secretary of Agriculture, he called Mr. Hendrickson on the phone. It was 9 a.m. and Mr. Hendrickson had not arrived.

"Well, when he gets in, tell him to come and see me," Mr. Davis said.

At 9:30 a.m., Mr. Hendrickson arrived, went straight to the new boss. There, he outlined his duties to Mr. Davis, whom he had known years before, but had seen only occasionally since the latter left for St. Louis.

"Well," said Davis, after the conference, "you are on top of your work. Keep at it."

That was not the first "reorganization" Roy Hendrickson had lived through. And, as he well knows, that if he stays in Washington it will not be his last.

Dr. M. L. Wilson, director of extension for the Department of Agri-

culture, likes to think of Mr. Hendrickson as one of his protégés.

They met in 1933, when the new Agricultural Adjustment Agency wheat program was about to be announced. The program, as evolved, was known in its entirety to only two men—Chester Davis, head of the AAA, and Dr. Wilson, wheat administrator—when it was sent to the White House.

Three days before the program was announced, however, the Associated Press carried a long description of its details, signed by Roy F. Hendrickson, then agricultural reporter for the news agency.

"I was so surprised, I didn't know what to think," Dr. Wilson recalls. "That story had the very points of our program, which was on the President's desk."

Forthwith, Dr. Wilson sent for the reporter.

"I know darned well there were no leaks, because only two of us knew the program," he said. "Tell me, how did you get that dope?"

Wanted him in government

MR. HENDRICKSON explained that, having gathered all available information from congressional hearings, talks with policy-makers (most of whom disagreed), and general knowledge of farm laws, he had deduced his own wheat program.

"If your program isn't like mine, yours isn't the best program," he said.

When word got around at Agriculture one of the bigwigs advised: "He's too smart to be on the outside. Offer him the first good job that is open."

That's why Dr. Wilson, when he became director of the new Division of Subsistence in the Department of the Interior in '33, appointed Roy F. Hendrickson as his administrative assistant.

Dr. Wilson didn't know it, but a lot of officials were trying to catch Hendrickson in the government net. In one month, he had been offered as many as three jobs to leave the A.P.

The two have been firm friends
(Continued on page 72)

MIRACLES aided by Kodak's Recordak System

OUR NAVY "came back" after Pearl Harbor to fight again—and again. The Nation's life depended on miracles of repair . . .

A set of blueprints for a destroyer covers a quarter of an acre, and may be filed in Washington—yet quick reference to these plans and specifications on the spot is essential to a workmanlike repair job.

After the hell of Pearl Harbor, the Navy isn't waiting for tons of blueprints to be shipped. Little rolls of 35-mm. microfilm can cut priceless weeks from the time required to send a battered ship back into action.

Through Kodak's *Micro-File Recordak System*—the photographic method behind V....Mail—the Navy condenses, on microfilm, the bulky original plans. These can be flown halfway around the world within hours . . . or are already on hand at distant repair bases.

This is only one of many instances where Recordak is increasing the effectiveness of America's war effort.

"Ration banking," war maps

Recordak was originated to duplicate, on microfilm, every check cleared through a bank—safeguarding depositors, and simplifying banking. It was



Above—Fantastic patterns of flame as the magazine exploded on the destroyer Shaw at Pearl Harbor. End of the Shaw?

Right—This is the same Shaw. She was floated . . . repaired in San Francisco.



Official U.S. Navy
Photographs

revolutionary, but no one could have foreseen its manifold destiny.

Your ration coupons have become as essential as money. They are turned in by your dealer to his bank. The larger banks—90% of them—have Recordak machines, which photograph the record of their ration transactions with dealers and wholesalers.

Our fighting forces, in new offensives, carry Recordak duplicates of available maps and photographs of the region.

In Selective Service, Recordak made error-proof copies of each of the 9,000 numbers—critical in the lives of 17,000,000 young Americans—as they were drawn.

Your food rationing problems? Think of the bookkeeping job that your dealer, his bank, wholesalers, and the Government must do to keep *their* records straight! At the bank Recordak does much of this work—tirelessly, without a chance of error.

In our war industries, engineering drawings and shop orders that could occupy acres are reduced by Recordak to "capsule" size.

Your Social Security records and your War Bond purchases are microfilmed by Recordak.

The U. S. Census—going back to 1790—is now in this condensed, time-proof form.

• • •
In its greatest crisis, civilization has found a way to preserve its "heart" as well as its "hard business head." You realize this as you read the V....Mail letter of your boy—his own writing, flown to you on a thumbnail bit of film halfway around the world . . . Eastman Kodak Company, Rochester, N. Y.

**Serving human progress
through Photography**





UNCLE SAM today owns one-third of America's productive facilities. After the war, everyone's job, everyone's future, will be affected by what the Government decides to do with its tremendous industrial holdings.

Postwar Problem No. 3

By A. H. SYPHER

THREE YEARS ago this month the federal Government, activated by war storms raging around the world, plunged into business.

In these three years, the Government has poured approximately \$30,000,000,000 into industrial plants and equipment, into other producing and processing facilities and into real estate.

By its various investments in plants to produce the goods to win the war, Government has become the largest industrial owner in America.

Its ownership in this field alone equals one-third of the total value of all the private industrial companies in the nation—the companies owned by 60,000,000 Americans through their investments in stocks and bonds or through life insurance and savings accounts. Their Government, their biggest industrialist in the war, is in

position to become their biggest competitor in peace.

The determination of what shall be done with these vast Government-owned productive facilities when peace comes is America's Postwar Problem No. 3.

The shape of the future

UPON that determination may rest the future form of America's political and economic structure, because there is serious doubt that the traditional system of private companies engaged in free enterprise could long exist in competition with a Government in business on such a scale and scope, and with regulatory powers over all other business.

The disposition in peace of these great facilities for war may have as far-reaching effect on the America of

tomorrow—and on its millions of investors who also are its working people—as will have two other postwar problems of a more immediate nature. These are the termination of \$75,000,000,000 worth of war contracts expected to be in the hands of private companies when war ends, and the disposition of more than \$25,000,000,000 worth of Government-owned surplus. Both have been outlined in previous issues of *NATION'S BUSINESS*.

Production facilities acquired by the Government under the war program fall into three classifications:

1. Those designed for the production of only strictly military goods, such as shells.
2. Those producing goods useful to civilians as well as to the military organizations, such as gasoline or tools.



War Plant

Southern cotton is fine . . . for sheets and towels and little girls' dresses.

It's fine, too . . . for the smokeless powder used in shells and bullets . . . for tents and machine gun belts and uniforms . . . for more than 11,000 different products in U. S. Army specifications.

But cotton is just one of the many vital products which the Southland is contributing to help win the war. There's coal and oil and steel. Timber and aluminum. Food and chemicals. And they all ride to war in the freight trains of the Southern Railway System.

The men and women of the Southern know that this fighting freight is potent poison to America's enemies. So they bring a fighter's devotion to their jobs.

A fast freight schedule is set up . . . then someone figures a way to make it faster.

Every freight train is loaded to the limit . . . then someone finds a way to raise the limit.

Repairs are made in record time . . . then someone proceeds to break the record.

This ability and ingenuity, invaluable in time of war, will be a rich asset to the South in peacetime. For these men and women of the Southern Railway will carry the goods of the New South . . . with the same energy and efficiency with which they now rush fighting freight to war.

Ernest E. Morris
President

"Look Ahead . . . Look South"

SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

3. Those producing materials, rather than finished products, necessary either to peacetime or wartime industry, such as metals.

In the past, the establishment or maintenance of strictly military plants has been severely limited by public opinion and its effect on the appropriations of Congress. At present there is a rising public demand for the maintenance after this war of shell loading factories and other arsenal-type establishments as preparedness plants.

But these represent a small part of the Government-owned business today. Others range from coffee roasting to manufacturing rubber, and include the operation of the longest chain of hotels ever linked in single ownership as well as hundreds of millions of dollars' worth of individual or group housing units.

Could make peacetime goods

AMONG the facilities readily convertible to peacetime use either in their present lines or in adaptable lines are 51 airplane manufacturing plants, 54 factories producing radios, 344 making airplane parts (easily convertible to other parts or products), 161 machine tools manufacturing plants, 43 making and fabricating aluminum, 54 manufacturing synthetic rubber and its components, 44 gasoline plants, and 42 for the production of ships, marine engines and parts.

These have been listed by Secretary of Commerce Jesse Jones. They constitute about half the plants owned outright by the Defense Plant Corporation. They do not include facilities owned by the Army, Navy and the Maritime Commission.

In the materials group, the Government owns 90 per cent of the nation's magnesium producing capacity, more than half the aluminum production facilities, a major share of the synthetic rubber industry, and hundreds of millions of dollars' worth of plants and equipment producing iron, steel, copper, lead, zinc and other metals—critical war materials today, critical peacetime industrial materials when war ends.

Most of the privately-owned companies now operating Government-owned war plants will have legal right to buy them after the war, if they choose to do so and can finance the purchase.

Their operating contracts usually include options covering the facilities operated. These options provide for purchase at actual cost of the site, plus cost of buildings and improvements reduced by depreciation at the rate of five per cent per year of use.

Installations such as machinery, fixtures and similar equipment are depreciated at 12 per cent per year, and portable durable tools, including automotive equipment, at 25 per cent per year.

Since these plants have been built and equipped at wartime price levels, the question of whether prices so computed will be attractive, fair trade prices at the end of a period of hard use cannot be answered until that period ends.

Many companies that might be considered prospective purchasers have invested heavily in privately-financed war expansion. High taxes prevent all private corporations from building what they consider adequate surplus to see them through the uncertain period ahead, and nearly all face costly reconversion programs.

Their cash may be frozen in partly completed contracts cancelled at the war's end and, unless clear Government policies are worked out and strictly adhered to, they face the overhanging threat of billions of dollars' worth of government surplus that may be dumped on the markets, smothering the outlets of normal production.

Farmyard factories

A NUMBER of government war production establishments will have little attraction for private investment because of the difficulty of operating them successfully in competitive production during peace. These are among the plants that have been located according to military strategy (or, it is sometimes charged, political strategy—remember Muscle Shoals?) without regard to utilities costs, transportation, materials sources, markets, labor supply, or other economic factors that determine the success or failure of business enterprise.

Examples may be found in the factories that have been built on farm lands far from established manufacturing fields and which have created housing, sanitation, transportation and other problems that have been offset, to some degree, by abnormally high wartime wages.

All of these factors will shorten the list of prospective purchasers of Government plants.

Several factions within the administration are planning the disposition of facilities not readily absorbed by private interests.

One is promoting the "partnership" plan, involving continued government ownership, with management drawn

(Continued on page 74)



EWING GALLOWAY

Delay in deciding whether Government is to continue to operate its present plants after the war can lead to the idleness of privately owned plants which will fear government competition



PAPER DELIVERY... 1943

Remember the long-legged kid who used to deliver your paper?

He's on a different route now, delivering messages to little seed-eyed sons of heaven. But he's still delivering paper!

Wood pulp, the raw stuff of paper, is used in producing the hand grenades he hurls. It is used, too, in making plane windshields, explosives, gas tanks, stretchers, camouflage, insulation, packing material, ammunition boxes, parachute rayons, tire fabric, and many other types of matériel.

Wood fiber products are saving thousands of tons of synthetic rubber, steel, aluminum, and phenolic resins, by substituting for these critical materials.

As paper, millions of pounds of pulp are

doing the office work of war... 2,000,000 pounds for the first draft registration alone, 4,000,000 pounds for War Bonds sold up to May 1.

Consider the shipping keels laid daily—and think that one battleship's plans alone require 30,000 pounds of blueprint paper!

Wood pulp is indeed a vital raw material of war. And preparing it for the various requirements of our armed forces is the American paper industry's contribution to our victory.

We are proud that the production facilities of Kimberly-Clark Corporation are taking their part in this great effort... glad we are contributing our share toward delivering some real "smash extras" to the Axis.



Levelcoat*
PRINTING PAPERS

Trufect
For Highest-Quality Printing

Kimfect
Companion to Trufect at lower cost

Multifect
For volume printing at a price

*TRADE MARK

KIMBERLY-CLARK CORPORATION

Neenah, Wisconsin • EST. 1872

NEW YORK: 122 E. 42ND ST.

CHICAGO: 8 S. MICHIGAN AVE.

LOS ANGELES: 510 W. 6TH ST.

Where OPA Got Off the Beam

(Continued from page 30)

"In orders of this type," Jones testified, "the OPA, in violation of the statute, says in effect that the usual and customary profit margins may be reduced at the whim of the bureaucrats."

In another instance, the War Labor Board authorized certain cigar factories to increase wages. OPA then followed with permission to 11 manufacturers to increase their ceiling prices by the amount necessary to cover the wage increases. But here again the authorized increase at wholesale was combined with a warning that the retail price must not advance.

Again, distributors were authorized on November 7, 1942, to increase their wholesale ceiling prices on six items on condition that retail prices would not reflect the increases. In case of hardship, the order provided that the retailer might apply for relief at his district OPA office, "provided that such action must be taken not later than November 30, 1942."

In this instance, most retailers did not learn of the authorized increase until November 14. They then had two weeks to obtain local adjustments. Of course, no distress petition to OPA can be "processed" in two weeks. Usually six weeks is the best possible clearance time.

Another OPA device authorizes concealed price increases through a reduction in weight or package volume. When the weight of one candy specialty was reduced ten per cent, the OPA order stipulating that the old retail ceiling, originally fixed for the larger package, might be continued for the smaller. Here, in fact, is a ten per cent price increase passed along in the habiliments of price maintenance.

Muddled ceilings

FOR some undisclosed reason OPA fixed a wholesale ceiling price of \$2.50 per hundredweight for Louisiana potatoes. At the same time, the Texas price was fixed at \$3.75. Thus Louisiana potatoes trucked across the state line brought 50 per cent more than when sold in the accustomed local market. These muddled ceilings diverted normal supplies from New Orleans to create an acute shortage there, while Texas markets were flooded.

"The fault lies solely with OPA," Representative James H. Morrison, of Louisiana told Congress.

"I read in the papers that New York City is without potatoes. Washington is short of potatoes. And yet tons of potatoes in the ground in Louisiana may never be dug, because they have a ridiculous ceiling price of \$2.50. Either an ulterior motive is behind this whole thing or it is based upon gross incompetence."

Morrison presented a survey by the Louisiana Agricultural College predicting that, if the \$2.50 ceiling prevailed,

Louisiana farmers would put in no crop to supply early potatoes in 1944.

Since 1941, OPA has established 48 Industry Advisory Committees. In theory, each industry is consulted on forthcoming regulations and orders. OPA then inserts a stock sentence in every price-fixing decree:

"So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this regulation."

This language skillfully glosses the fact that, under OPA regulations, the Industry Advisory Committees may act only in a consulting role. One set of regulations governing the operation of these committees reads in part:

"It should be noted carefully, however, that committees are advisory only, and that *all decisions are made by the Government.*"

Another section of these unpublished regulations says that the committees

tives have no authority to veto the proposal or change the effective date.

Similar testimony has come from many witnesses. In one instance, members of an Industry Committee were summoned to New York from all parts of the country, one from Seattle. At the appointed hour, the OPA Section Chief entered, read the new order, explained the theory behind it, and bowed out, with the statement that he must hurry to catch his train to Washington. The whole performance did not require 20 minutes.

Twenty-two business managers had left their plants in 17 cities. Their combined travel expenses to and from the meeting were tabulated at \$4,750. They had not been permitted even to discuss the new order to the extent of getting an authoritative interpretation.

Grocers hardest hit

GROCERS, perhaps, have been harder hit by conflicting and overlapping OPA orders than any other retail group. When OPA began, there were roundly 575,000 retail food outlets in the United States. Today those stores still in business are governed by 29 maximum price regulations, 63 other price controls applicable at the processor, wholesaler, or jobber level, plus ten general ration orders governing food products.

All of these regulations are subject to amendment from day to day. The General Maximum Price Regulation, for example, has been amended 160 times in 13 months; and at least 15 supplementary orders have been issued under it.

In one case, a general price order was issued on May 10, 1943. On May 13, OPA indicated through the press that these price tables would be changed. While retailers still were re-marking their stocks in line with the May 10 order, OPA issued the revised order over the week-end of May 14-16. In this case, the official text of the May 10 order was not available in mimeographed form at OPA headquarters until about 5 P.M. May 13, although the text had been published in the *Federal Register* for May 12, to be effective May 10!

By making it harder to do business, in whatever line, OPA has served to hamper, curtail and retard production and distribution at a time when every energy of the nation should be mobilized for maximum efficiency. This bungling already has imposed an unnecessary burden on the whole war effort. That burden may be removed by either an administrative housecleaning within OPA, or by a thorough job of legislative overhauling by Congress.

Every business interest acknowledges the need of wartime price controls. Every segment of the population is eager to cooperate in all practical and workable measures against inflation.

Price control can be accomplished. But the job demands some "know how." If OPA cannot supply it, another agency must. American business has a job to do—to maintain the home front to victory! That means food, clothing, shelter for all. No one should be allowed to get in the way of that job.

Washington Ditties

By BERTON BRALEY



To a Morale Builder

Your words are slightly hollow. You

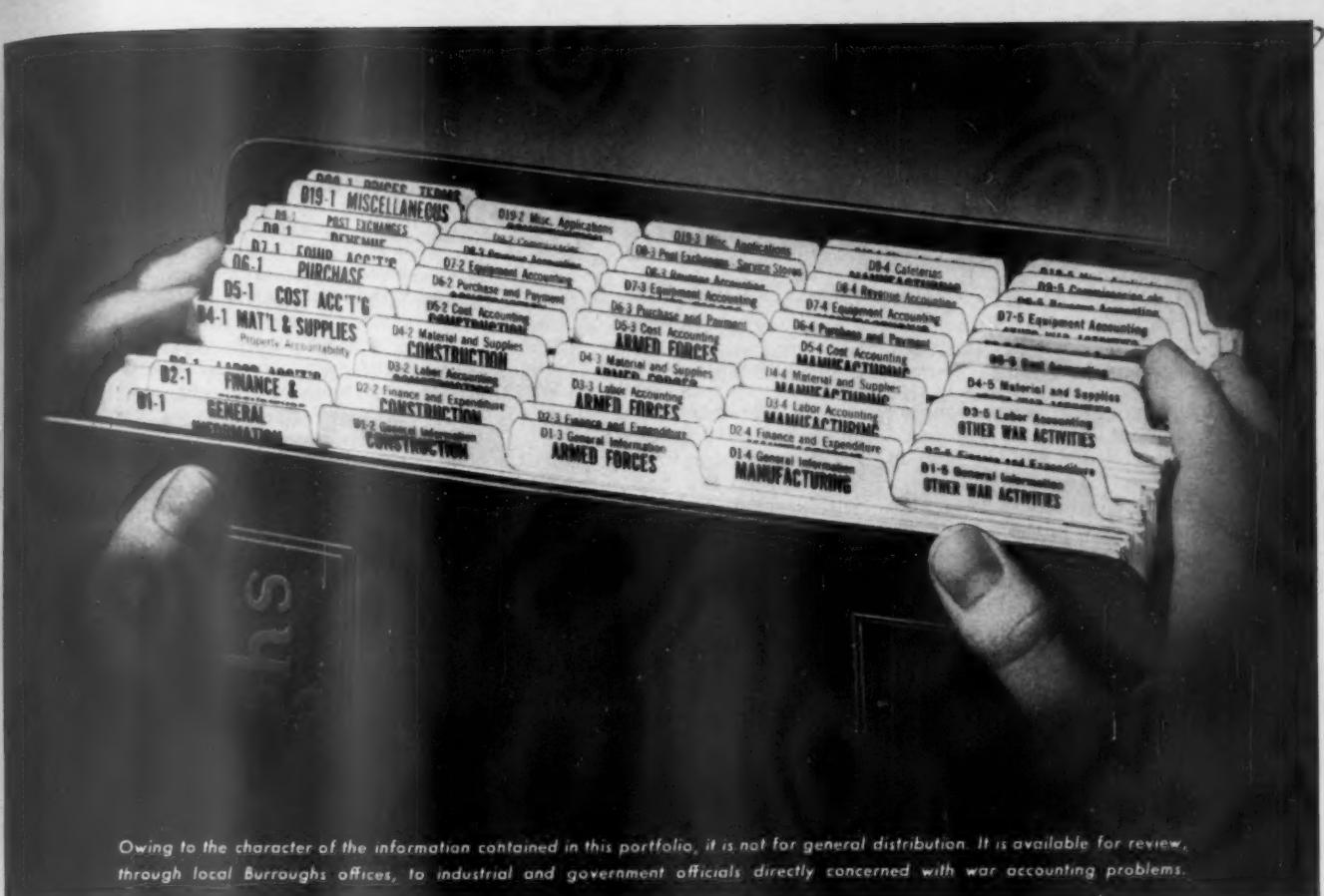
Deserve to have it said of you

That you bid folks to follow you

When they are way ahead of you.

may discuss any subject pertinent to the war effort and "furnish advice and recommendations to the Government Presiding Officer when requested to do so."

The regular practice has been for OPA to draw up its orders, then call a meeting of the Industry Committee. The OPA Section Chief appears at the meeting, reads the regulation, and announces the effective date. The industry representa-



**Behind each tab is a
SAVING IN MANPOWER**

Behind each of these tabs there is detailed, comprehensive information describing and illustrating how a specific war accounting job is being handled in the fastest time possible, with the greatest possible saving in manpower.

Altogether, this information represents the combined efforts of many men—officers in the armed services, government officials, war plant executives and Burroughs systems and installation men. Since long before Pearl Harbor, they have been working together in setting up and coordinating government and industrial accounting procedures and practices.

It is gratifying to know that Burroughs' experienced technical staff has been able to contribute so much to so important a task—and that, through this portfolio, so many ideas for saving both time and manpower can be made available to others.



MANUFACTURING FOR WAR

The manufacture of aircraft equipment for the Army Air Forces, and the manufacture of Burroughs figuring and accounting equipment for the Army, Navy, U. S. Government and the nation's many war activities, are the vital tasks assigned to Burroughs in the Victory Program.

Burroughs

Figuring, Accounting and Statistical Machines ★ Nationwide Maintenance Service
Carbon Paper, Roll Paper, Ribbons and Other Office Machine Supplies

Capital Scenes... and What's Behind Them



Shape of things to come

THIS isn't a prophecy. It is a reasonably accurate statement of what is being said by some of the harder-minded men in high place:

Armistice with Germany in 1944. Hell to pay all over Europe in the same year. A conditioned peace in the winter of 1944-45. The destruction of Japan as a military power in 1945. This may be deferred until 1946.

A good military reason for the bombing of Germany and Italy is that it softens them up. Another reason of which nothing has been said is that only in this way can it be brought home to the people that, when a country goes to war, it doesn't play for marbles. It is conceivable that international politicians might intervene successfully to save Germany from invasion by the young men who carry tommy-guns. But, if every town and city has bomb-dust in its municipal mouth when Germany sues for an armistice, the lesson will have been taught.

Quoting a dead lunatic

AN ARMY officer who believes that the Allies will punish before they talk peace says the story told of a dead German is going the rounds. He was a Junker, a baron, and a member of the German General Staff in 1914. Because he was so very *hochwohlgeboren* he was not liqui-

dated when he had a nervous breakdown in 1914. He was just given an office in GHQ in Berlin and told to play with the cat for duration.

"I am now sane," he asserted. "I was mad, along with all other Germans, when I believed the teaching that war is a business. I cannot forget the flames and blood and cries in the village streets."

The man the staff called a lunatic predicted in 1914 the course of the war. He said the Germans would fight as long as they had a 60-40 chance of success. The German theory that war is a business and should be conducted on profit making lines implies an agreement with creditors on the best possible terms.

So Germany cut her losses

THE harder-minded say that Germany did not quit in 1918 because of a breakdown in the civilian morale. That was the false plea offered by the army and accepted by a gullible world. Germany

was thoroughly licked in the field. High German officers visiting Washington during the interim of so-called peace made no bones about it:

"We should have called a halt sooner. We would have had more to bargain with and could have gotten better terms. We were *dummköpfe*—what you call swellheads. We learned the hard way."

There is no immediate prospect of a crack in German civilian temper. The hard-minded ones say that only our softies cling to the sweet hope that a tough, enduring people bred in a tradition of war will revolt. They could not if they would. No arms, organizations, or communications.

Allied plans for 1943

LARGER, faster, higher-flying planes are already in use. Their greater bomb-carrying capacity will make the German punishment so terrible that the Germans will remember it forever. Unless our softies whimper us out of it. The thought is that the Allies might not be able to police Europe indefinitely. Our people will want the boys back on the farm.

The British might, for reasons of high politics, prefer a coalition with France and minor European powers, with no tender American fingers dabbling in the pot. We would, of course, be called on for money backing. Russia will play her own hand as she is doing now. The insurance against another break-out of German business 20 years from now is to hit them so hard that their grandchildren will wince when they hear a door slammed.



Sea and land operations

"IT IS agreed that it does not make so much difference where we hit the Nazis during the summer. Just so we hit 'em. The more trouble we can stir up, the more trouble will breed in the conquered countries. If more troops are sent in to quiet the patriots, the more German strength on the Russian front is weakened. If troops are taken from the conquered countries the patriots will begin nailing German ears to the barn-doors. An invasion in 1943 of sufficient force to ensure complete success may not prove feasible. But if we can lighten Russia's load for this year we win."

The theory is that, if Germany cannot make permanent gains in Russia this summer, she will not face another Rus-

sian winter campaign. A request for an armistice would presumably follow. Hence the hurry to break her windows before the dove of peace starts cooing.

"Hit every German town"

THE backbone of this realistic proposition is undoubtedly British. It will not have escaped notice that the properly scant reports from the Churchill-Roosevelt conference evidenced a division of thought. Both agreed on hitting the enemy with everything we've got.

"But Churchill talked hard fight. Roosevelt was apparently concerned with less tangible action."

The harder-minded here referred to are elbow-to-elbow in this with the British. More than anything they fear that wave of "sentimental hooey" which experience has taught them is likely to sweep Americans. Japan will get no benefit from the wave, however. Not a whisper has been heard that the Japanese may be granted anything but the worst of it.

Americans are hardening up

THE MEN who talk this way are for the most part of the Army and Navy. But the Army and Navy are made up mostly of civilians, and every man has friends at home who listen to what he has to say. What they think is reflected through Congress. No one who has followed the speeches and acts of Congress can have failed to observe a growing impatience with the cloudy administrative processes at home.

"There may be food riots in the United States in 1944," Louis Bromfield wrote.

Congress will pin the responsibility for food shortages on the men who failed to understand the problem ahead. This is as certain as taxes. The Army and Navy got, and are getting, what they must have because they understood. One hears tales of adamant insistence by their chiefs. They were like power tools operating on tin cans in some of the conferences.

Return of the native

DR. JULIUS HIRSCH, author of that most interesting book, "Price Control in the War Economy," in which history and prophecy are combined, says the profit and loss system, the free market, and the law of supply and demand are all on their way back. That is the impression I carried away from a talk. For some time Government will continue to be looked on as a bountiful old hen that scratches food for its chickens. But eventually The Law will be served:

"I saw a statement by an economist—Harvard, I think—that this country can support a debt of \$2,000,000,000,000. That was idiotic. The people would not stand it."

When we have won the victory there will be a more or less brief period of



or an
allow.
down
going.
to them.

If business men are smart they may prevent a collapse. It will be up to them.

When the war ends

MR. HIRSCH is confident that, when the war ends, the world will face a huge capacity for overproduction. Every country will have tremendous batteries of machines. Europe can overproduce as plentifully as the United States.

Fewer men and acres will be needed in agriculture. Germany has added 25 per cent to her farm production by using nitrates. The demobilized armies will be coming home and for a time work can be provided through public works. Public money cannot be found indefinitely. The law of supply and demand must come back into its own. A new market must be found for the enlarged productive capacity. Our safety lies in free enterprise.

Caught in the bottlenecks

TO SUBMIT an idea to the professors—a generic name covering all the thousands of theorists who have been *cafeekatching* in Washington—is to open an ever-expanding debate. On one occasion Dr. Hirsch bypassed them and took an idea straight to Bernard Baruch:

"This should be done at once," said Baruch. "Take your memorandum to Prentiss Brown. I'll initial it."

"This should be done at once," said Brown. "Expand your memorandum to two pages and bring it in. I will put it before the man who has authority to act on it."

Weeks have passed. Nothing has been heard from it.

Germany planned differently

DR. HIRSCH was once secretary of the economic council in Germany:

"When a question arose it was considered by a committee representing all the interests involved. Two farmers, two bankers, two manufacturers, two distributors, two retailers, etc. When, and not until, all agreed on a plan that would work, a regulation was put into effect."

In Washington the professors and bureaucrats first draw up the regulation. Then they demand that those affected make it work. When it does not work, a new regulation amends the first. Then two more amend the first two and so on.

This is the foundation reason for the clouds of questionnaires and orders that have unbearably affected American business.

Who is for what in Washington

AT THE back of every mind in Washington is the fact that 1944's politics are lining up. Mr. Roosevelt will—every

NATION'S BUSINESS for July, 1943

one assumes—be a candidate for a fourth term. The Bailey resolution in the Senate restricting future presidents to only two terms may or may not be adopted.

Premature publication took some of the steam out of it, but it is an impressive fact that the 40-odd signatories are so much in earnest that they kept the secret for weeks.

Meanwhile close observers in Washington do not accept the often repeated hint that the Administration is tending toward conservatism because of recent appointments:

"Byrnes, Vinson and Prentiss Brown are, of course, conservatives. But they were named because they are well liked in Congress and might do a job with that body."

The under-men, the reformers and social planners, are still hard at work in the governmental machine. Those who are being tossed out are only those who have been under fire. Prof. J. Kenneth Galbraith, of the jittery OPA, for example.

Bowing to John L. Lewis

PERHAPS the Mine Worker chief did not deliberately shoot at the personal government theory of the Administration when he recently fired on the War Labor Board.

Maybe he did not know the gun was loaded—although congressmen doubt that—but he centered attention on Congress' failure to play its constitutional part when he maintained the NWLB had no statutory standing.

The War Labor Board was a creation of the President and, when the Board found itself in a tangle that it could not unravel, it was instructed to turn it over to the President.

That was completely personal government.

The Connally-Smith bill by legitimizing the NWLB corrected that particular situation. It is reasonably sure that other blanket powers of the Executive will be controlled by similar legislation ultimately.

A look-out at the money table

MUCH congressional head scratching must follow. In time of war, the Executive must have wide power to act. But Congress is now discovering—having heard voluminously from home—that these powers should be exercised within a statutory frame.

Scattered through the enormous and confused administrative body there are, for instance, an unknown number of sums of money of unknown total. Congress does not know how much the funds amount to or where they are.

These sums were granted for more or less specific purposes but they can be, and have been, diverted to other purposes without notice. No one suggests that the Executive should be required to

make a sharp accounting. That would be silly and destructive in wartime.

But it is now proposed that the Executive be forbidden to nullify the will of Congress by spending money for purposes for which Congress has refused to appropriate.

All the little presidents

IT IS often stated in palliation that much of this unauthorized spending has been done by the multitude of under-men—the little presidents—who head bureaus and whatnots.

It is admitted that the President cannot keep track of everything Congress does. No man could and keep abreast of his other duties.

Congress, by its own action, has loosened its control of enormous sums and the persuasive under-men have been able to nibble at them. The fact remains that these under-men have been, in effect, free of all control. No one can ever say how much money has been wasted or how greatly the national effort has been confused and hampered. Congressional leaders say they would like to start all over again. Too late.

The post-war auditing

THE post-war audit of 25 years ago will be peanut size compared with what is being processed right now. Not much



criticism is heard of the Army and Navy operations. If they had had Hitler's eight years in which to get ready, they might have saved a great deal of money; but they didn't. The overall strategy is approved as it developed after Pearl Harbor. The barrage will be put down on the acts of the civilian end. This post-war audit will not, if present information is accurate, concern itself with political significations or the acts of the save-all-souls group. Just with money wastes.

An egg's a simple thing

NOTHING in the firmament is less puzzling than an egg. But an undiscoverable number of the theorists studied eggs and issued price orders. Then Secretary of the Interior Ickes represented that the Ickes Super Egg is so much heavier than the unpedigreed egg that it is worth six cents more on the dozen. Having belatedly learned that one egg differs from another egg in avoirdupois, the Egg Authority amended the original order and Mr. Ickes got the six cents which his eggs are probably worth. Multiply that incident by \$100,000,000,000 a year of government spending and then get into your prayer closet.

Herbert Cole

A Seven-Ocean Industry

(Continued from page 24)

Burkhardt, technical manager of Bethlehem's shipbuilding division.

A typical yard manager is Charles N. (Charlie) Boylan, who started making ships as a machinist 32 years ago after a stretch in the Navy, and today has charge of the Staten Island Yard (where he started).

Boylan, like the other yard managers, faced disheartening impossibilities. They told him in 1941 that, under the naval expansion program, he would have to deliver one destroyer a month in 1943. In those days it took 18 months to deliver a destroyer.

The problem was not simply one of putting on more men and buying more materials. For instance, to hire more men, he needed a bigger clerical force. To house that force, he needed more office space—and Staten Island was crowded. Moreover, the men he hired would need training—90 out of every 100 had never been in a shipyard before.

Furthermore, he would have to increase his machine capacity 120 per cent; enlarge the foundry 100 per cent; increase the capacity of the electric shop 300 per cent and the capacity of the sheet metal shop 250 per cent. He would have to build an entirely new heat-treating oven shop, although he had always sub-contracted his heat-treating work and knew nothing about the process.

Takes over school

HE NEEDED new buildings, new warehouse space, new workers, new ground. He could not move his yard, because it was turning out ships. Yet, he could not expand without more room. He called in his assistant, H. W. Northcutt.

"Get all the facts about Public School No. 23 up the street. Find out the number of pupils, where they live, where else they can go to school—in short, find out how we can take over the school building."

Northcutt found out.

As a result, Charlie Boylan was able to convince the Board of Education that the school would be more valuable as office space than as a school at least for the duration.

Getting a new propeller wheel shop was not so easy. He had to have it, but if he waited to contract for it and the contractor had to go through priorities' red tape, the program might be stalled for months.

"Get Chicago on the phone," he told his secretary. "There's a vacant building for sale out there that suits us. Maybe we can make a deal."

Forthwith, a deal was made, Bethle-

hem bought the vacant Chicago building and moved it to Staten Island.

Meantime, Charlie's men were scouting all over Staten Island, across the river in Brooklyn and down in Jersey. They rented Pier 6, owned by the Baltimore and Ohio Railroad, and filled it with warehouse material. They built a new warehouse near the yard and in two months it was too small. They rented another building in Elizabethport, across the river. At Travis, at the other end of the island, they rented three more buildings.

They bought 450 feet of semi-marsh land right adjoining the Yard, filled it in and put down three new piers.

All this time, he was hiring and training men. His pay roll grew from 620 names to 10,000, but of every five men hired three drifted away—to the armed services, to other shipyards, to bed.

It was the same in all of Bethlehem's yards. While Charlie Boylan was facing and meeting his challenges, A. B. Homer was seeing the same miracles of know-how and ingenuity in other yards strung

now he could see 16 shipways, employing more than 20,000 men.

He was seeing the new Bethlehem-Fairfield Yard rising near Baltimore and the yard at Sparrow's Point doubling and redoubling its output. He was seeing men cutting down a hill in San Francisco to build additions to a dilapidated old yard that had not produced a ship since World War I. He was seeing San Pedro, as well as San Francisco, building destroyers at record speed. He was seeing Alameda turn into one of the greatest troop-ship construction centers in the world.

But he had little time to be proud. His job was to oversee and synchronize the whole program. He lived and slept and worked from one side of the nation to the other.

Workers move ahead fast

KNOW-HOW is a vague word covering the amount of technical knowledge available for the tasks to be done. Bethlehem had a comparative abundance because of shipbuilding experience dating to before World War I, but none of it could be wasted. It had to be husbanded as carefully as materials and money. Making experience go around was one of Mr. Homer's biggest jobs. To do it, he built up a training organization to prepare workers for specialized tasks months before Pearl Harbor.

A full year before Paul McNutt urged industry to "upgrade with all you might," Bethlehem had its plans laid to give promotions as fast as the opportunities arose. As new yards opened, men who had been subforemen elsewhere were sent in as foremen. Men who had been foremen became assistant superintendents. Any man with intelligence, ingenuity and a will to work and learn could—and can!—obtain quick promotions with Bethlehem.

In some yards, through the use of incentive payments for all work greater than a set standard, welding and assembly speeded up. Through loudspeaker music, patriotic rallies and other up-to-the-minute personnel practices, every man in every yard is reached with the message of production and more production.

The work from the top down, following the "war" meeting, made itself felt throughout the organization, particularly the shipbuilding division. As 1941 wore on, Navy "E's" for Excellence of Production were sprinkled liberally about the shipbuilding empire. Charlie Boylan's yard, for example, has two stars on its Navy "E." In addition, this and other yards have come in for special citations.

Mr. Homer has spent a lot of time with admirals in Washington since 1940.



"If I have to pay for this war, why can't I stay up and hear about it?"

over the East Coast and the West Coast. He was seeing the whole shipbuilding division knocking off 50 to 75 per cent from the building time of various types of vessels, then knocking off more.

He was seeing the Fore River Yard at Quincy, Mass., which in the '30's was called "almost a ghost town," doubling its working area. He was seeing the new Bethlehem-Hingham Shipyard rising three miles from the Quincy yard. He had seen this land when it was barren—



In the burning desert, mighty 155 mm. howitzers blazed a path for General Eisenhower's troops to win a decisive allied African victory. Millions of shells to feed these guns—hungry for future victories that will surely come—have been manufactured by Pullman-Standard.

6 SHELLS FOR EISENHOWER—INSTEAD OF 5

A revolutionary new method that saves steel, cuts costs and speeds production to smash six hammer blows at tyranny—in place of only five

Six shells where only five grew before!

The secret of that potent increase is a different type of draw bench which permits far greater accuracy of forging and produces a 155 mm. howitzer shell from a 126-pound billet instead of from the standard 150-pound billet. More than six for five—actually six and four-tenths!

Pullman-Standard alone has saved 28 thousand tons of precious steel by this method—fed an extra ration to Freedom's hungry guns everywhere; to say nothing of saving countless dollars for American taxpayers. Pullman-Standard introduced this better method in this country—tried it, proved its worth—made it available to all who sought to learn. Alert manufacturers recognized and adopted this new process, thus saving countless additional tons of precious steel.

Six instead of five!—and this is only one of many stirring war-born improvements that must surely, in days to come, help to win peacetime victories; even as now they contribute so much to winning on battlefields of human Freedom!

For, as we explore into complex post-war problems, we shall find this to be true—our most precious "discoveries" will be those devised and perfected in

the vast laboratory of America's war production. Scientific and engineering improvements past counting!—new and better metals and techniques, faster production methods, new and ingenious applications of proved and trusted devices and processes—and above all, better Men! Men who have dug deep into themselves and found new and inspiring capacities for usefulness!

Men from apprentice workers to highest executives who have been forged and tempered to new alertness, to new capabilities! Men who are dynamic symbols of the extraordinary inventive genius, the infinite resourcefulness, the inextinguishable curiosity of American industry.

To Transportation of Tomorrow, Pullman-Standard dedicates all its wealth of new and better methods developed in the crucible of war production; and rededicates its 84 years of rich and varied experience. We serve Transportation. We have grown with it—we are part of it. All our potent resources of men and machines have this one objective—that through better Transportation we may serve you Tomorrow, with such convenience and economy, comfort and safety as this world has never before known.

3463 Manufacturers, Large and Small Unite to Spread the Work

Under Pullman-Standard's co-ordination and direction, and operating under 29,435 contracts, 3463 suppliers and sub-contractors contribute to the vast armament production program undertaken by this Company. Pullman-Standard draws upon 1630 small manufacturers, 1200 medium-sized ones, and only 633 that could be considered large. Many of these sub-contractors have in turn let sub-subcontracts—thousands of them—one medium-sized manufacturer alone drew on 500 sub-subcontractors and suppliers. With this democratic plan of spreading the work there have been or are now being produced by Pullman-Standard:

Tanks • Howitzer Carriages • Bombs • Shells of various calibers & sizes • Parts for Anti-Aircraft Gun Mounts • Aircraft Major Sub-Assemblies • Trench Mortars • Naval Patrol Craft • Freight & Passenger Cars for the Army, Navy & Railroads

Other materials for the war program are also being manufactured by Pullman-Standard under sub-contracts.



Pullman-Standard plants at Butler, Pa., and Hammond, Ind., have been given the Army and Navy "E" Production awards.

**BUYING MORE WAR BONDS AND STAMPS
• Backs Up The Men Who Man The Guns**

PULLMAN-STANDARD CAR MANUFACTURING COMPANY

Chicago, Illinois . . . Offices in seven cities . . . Manufacturing plants in six cities

© 1943, P. S. C. M. CO.

1943 NATION'S BUSINESS for July, 1943



NO SABOTEURS ADMITTED

Sabotage is malicious, criminal . . . and costly.

But there are other and more common factors which also retard production and reduce earnings.

An unfavorable cash position might be doing just that sort of injury to the war effort in your business, to say nothing of the way it can cut down your profits.

Correcting this weakness isn't just a matter of being able to borrow money. There are many sources of credit. But sometimes the restrictions governing loans are more hampering than helpful. Our service imposes no such burdensome restrictions—no interference with management.

If you need financing for current production, or to qualify for desired new contracts for either military or essential civilian lines, we will, without obligation to you, analyze your situation and work out a financing plan to remedy it.

We are confident we can show you how every dollar we advance can earn you not only its cost, but also a profit. On no other basis will we recommend a plan.

If your cash requirements present a problem, will you give us the chance to solve it? That's all we ask. Write us for detailed information.

Commercial Credit Company Baltimore

Subsidiaries: New York Chicago San Francisco Los Angeles Portland, Ore.

CAPITAL AND SURPLUS MORE THAN \$65,000,000

Interesting color charts of ARMY, NAVY and MARINE insignia free on request.

When he speaks of his experiences today, he emphasizes that Bethlehem has "taken orders" ever since the emergency began.

"I want to make it plain," he says, "that we have never tried to sell any Government agency on the idea of seeking greater appropriations for more weapons. We have not tried to sell a thing to our nation in connection with the war, except our willingness and ability to produce for our country. We have only filled orders."

"When the war is history and the score is being tallied, honest citizens can ask Bethlehem: 'What was your job during the war?'

"Our answer will be: 'Our job was to build ships, and steel, and armament.'

"If they ask: 'Did you produce ships?'"

"Our answer will be: 'We produced

every ship the Government ordered as fast, as perfectly, as cheaply as we knew how.'

"Let's get this clear. Bethlehem does not sell to the Government in wartime. The Government *buys* from Bethlehem."

Time and again, Mr. Homer has been to Washington, after being requested to go, with a small sheaf of shipbuilding schedules and charts under his arm. Each time, he has returned with twice as many orders as he wanted.

"Hell, we need twice this many," an admiral told him in 1941, after looking over Mr. Homer's delivery schedule.

"Well, you come through with the orders—we'll come through with the ships!"

Proud they hung on

THERE'S a lot of good, common sense in stressing this point today. After World War I, certain persons made political and economic hay by labeling the war producers, "merchants of death," and "dealers in the blood of unknown soldiers." Many citizens honest began to believe that big business was in favor of going to war every time some foreigner dropped his hat.

As a result of this attitude, the United States almost made a fatal mistake. After World War I, shipyards were abandoned and big companies like Bethlehem had to curtail until it seemed that keeping their shipbuilding forces together was hardly worth the trouble. They are proud today—Bethlehem's men—that they never did give up.

A quizzical look comes into Mr. Grace's eyes when he recalls how his company was maligned in the '20's and '30's by the "fair weather pacifists." But only for a moment. He would rather think of later years, when his company proved its right to existence by helping make it possible for the nation to exist.

How does Bethlehem's shipbuilding job in World War II compare with that of World War I? It is more of a contrast than a comparison, Mr. Grace says.

"In World War I, measuring our total business in dollar volume, our biggest year was slightly more than \$450,000,000. At that time, it represented the greatest single effort ever made by a single company.

"In Wo
of more t
ships, ste
for great
ave thou

HOW ha
ained if
capacity
grow? M
for such
"We h
organized
down to
have cha
sponsibil
each exc
overlappi

"We a
not scat
place, a
works on
"When
we had a
ate our
job for
other. W
"We v

cause w
money, w
had a b
trial kn
persons
—made
out our
could ha
it might
our ski
delayed
Inquiri
hem's se
attribut
activiti
its top
Grace, t
and thi
they ar
at their

"They
because

The
many t
000 emp
shipbuil
product
records
time tra

Altho
he wou
the com
pride in
years w
might
traditi
a fleet,
Bethleh
building
Betw
Illusion
lost ho
to roll
ready.

NATI

"In World War II, we are doing a dollar volume in total business each month of more than \$175,000,000. We will produce virtually \$2,000,000,000 worth of ships, steel and other war-materials in the current year. This represents a task far greater than I, frankly, would ever have thought possible."

Sticks to its own field

HOW has a giant like Bethlehem retained its agility, its flexibility, its capacity to take on new tasks and grow? Mr. Grace has a ready answer for such questions:

"We have flexibility because we are organized on a line basis from my office down to the 'snappers,' the men who have charge of the yard gangs. All responsibility is delegated carefully and as plain as a traffic lane guides each executive in all his actions. No overlapping."

"We are still agile because we have not scattered our strength. In the first place, a man who works for Bethlehem works only for Bethlehem.

"When the emergency hit America, we had a thousand temptations to dissipate our know-how. One agency had one job for us to do, and another had another. We told them we would stick to our field—steel, ordnance, shipbuilding.

"We were able to pick up speed because we had nurtured our resources—money, working tools, skilled men, and had a backlog of scientific and industrial knowledge. The very thing many persons disliked about us—our bigness—made possible our contribution. Without our financial resources, the program could have died. Without our facilities, it might never have been born. Without our skilled men, it would have been delayed hopelessly."

Inquire a little further into Bethlehem's set-up and you'll find other unique attributes. The headquarters of all its activities are in Bethlehem, Pa., where its top officials live. According to Mr. Grace, they live business, eat business, and think business all the time, whether they are at their offices, their home, or at their country club.

"They stick to business in Bethlehem because they can't get away from it!"

The Bethlehem organization means many things to many people. To its 300,000 employees, more than half of them shipbuilders, it means a front-line war production industry that must break records regularly to keep up the wartime tradition.

Although he carries in his mind what he would call "the overall picture" of the company, Mr. Grace takes particular pride in the shipbuilding. Through the years when it seemed that America might turn its back on its sea-going tradition and become a nation without a fleet, he has been at the helm at Bethlehem and has seen that its shipbuilding activities kept going.

Between wars, he suffered some disillusioning experiences, but he never lost hope. When the time came again to roll up its sleeves, Bethlehem was ready.



Let Addressograph supply the experience

WHEN modern business methods go into action, it's Addressograph that supplies *accuracy, speed, economy and skill* to business paper work procedures.

Simplicity of method and simplicity of operation get results that daily prompt present Addressograph owners to *extend the use of their equipment*. Installations made for *one use*, now handle *many*, such as issue of War Bonds, processing Government Reports, writing Payroll, Production Control and Inventory Records, identifying Parts and preparing Shipping Documents.

Call in your near-by well-informed Addressograph representative for ideas on full employment of the equipment you already own. Or write the home office.

PRODUCING FOR WAR • PLANNING FOR PEACE

Addressograph
DIVISION
ADDRESSOGRAPH - MULTIGRAPH CORPORATION
EUCLID • OHIO

Addressograph is a trade-mark registered in the United States Patent Office



The might and power of our war transportation are the locomotives of America — locomotives that are moving one and one-third million tons of freight a mile every minute and one and one-half million fighting men a month.

Here is one of the modern power-houses of concentrated energy in the N. & W.'s fleet of locomotives serving the nation — a heavy duty freight locomotive, mainstay of mass freight transportation.

The brains, brawn and skill of Norfolk and Western employees in the railroad's shops have designed and built more than 100 locomotives during recent years. In the front rank of the finest railroad motive power in the world, they are proving their sound, modern design, careful construction and stamina under the stress and strain of wartime transportation.

Locomotives of America! Trail blazers in the development of the nation . . . the vital arteries of transportation in times of peace . . . today, the might and power of war transportation.

BUY MORE WAR BONDS

**Norfolk
and Western
Railway**

PRECISION TRANSPORTATION

Feeder and Fighter, Too

(Continued from page 34) miracles was performed on Papua. Jungle conditions consisted mostly of mud, water, bugs and snakes. Some foods had been packed in outsize tin cans . . .

"So the Quartermasters rigged up a machine, stamped the emptied and cleaned cans flat and then made and tin cans to hold a ration the boys could handle easily."

On another anonymous Pacific island, the supply of drinking water ran out. So the Quartermasters rigged up some kind of still out of tin cans and bamboo. It is still functioning.

To make this operation work, the Quartermasters landed what materials they could get by surf boats at night, sent it forward by jeeps until the jeeps sank in the mud, and then toted it on native strongbacks through jungle trails. On another island, they got a laundry unit on shore one day only to have the prime mover bombed into scrap. The Quartermasters made a new prime mover out of the pieces.

In passing we might note that it was something of a trick to get supplies to the Q.M. base in Australia, that the New Guinea base is 1,700 miles away, and that the only way to get from the base to the jungles where the men were fighting was over a mountain trail on foot for 28 days. When the hospitals needed ice, the Quartermasters built ice machines. And — to quote an official report . . .

"Enemy fire, the elements, continual rain, pestilence, mosquitoes, fever, snakes, crocodiles, wild beasts, muck, ooze, slime and swamp. It took guts."

The Japs didn't have what it took. They carried lighter packs, they were experienced jungle fighters, they lived on easily transported rations, and they were brave.

Too much for the Japs

"THE Japs were fighters," said the reporting officer. "No one can deny that. But the job was too big for them. They got almost within sight of Moresby only to be driven clear out of Papua, leaving dead, dying and starving men behind. They took a lesson from the Americans both in fighting and in supply operations."

Has it been noted that the Q.M.C. laundrymen, whose prime mover was bombed, fought in the front line for several days before they could get back to the job of building a new one? The officer reporting did not unduly emphasize that fact. He did take a certain pride in the fact that, when they opened up for business, they "turned out a bang-up job."

About his only criticism was that the native strongbacks had a fashion of dropping sugar bags in the mud and then nonchalantly picking them up again and marching on. He paid more attention to the excellent quality of the clothing the Q.M.C. had provided. It was

more than equal to the demands made upon it.

Both the Japs and the Americans had developed special types of sneakers but eventually the Americans fell back on the "good, old army service shoe. It showed up better than anything else on either side."

It has taken a long time to get around to the shoes the Quartermasters provide. Any one who has ever sustained a bunion knows how important is foot health.

Shoes for hard going

"NO MATTER how bitter the biting of ants," as the poet said, "civilized men can go without pants." But he cannot get where he wants to get without shoes. Especially in the jungle.

For 22 years the Quartermasters have specialized in providing shoes for soldiers. The service shoe is built on Dr. Munson's last and is designed for hard going. The Quartermasters stock 142 sizes from 4½ to 15 in six widths. If the soldier cannot find a fit, he is given shoes built to order.

Among the special shoes are the parachute jumper's boot, ten inches high, with a sloping rubber heel and tight lacings to protect the ankle. Seven shoe types are issued for the Arctic, a special ski boot, mucklucks and snow boots which, "when insulated with wool and burlap or jute socks, give excellent protection against cold and snow."

The Quartermasters have the quaint idea that well-dressed men are better soldiers. Today's private wears a finer uniform than the colonel did 25 years ago. His pants are machine-fitted. He puts his foot on one round of a thing like a ladder and the expansion of his muscles is registered. His shirt, made of combed cotton, looks something like silk and might retail for \$5.

In the fall he will change over to worsted coat, shirt and trousers of combed wool which would cost about \$45 at retail. His windbreaker would sell at about \$15. Even his shorts are of 75-cent quality. All the clothing items are tested in the Philadelphia Q.M. Depot for everything — wind resistance, heat retention, impermeability — in studios where water is poured under pressure and the mercury shudders down to 70° below.

The Army could not get along without cotton. When elk hide was not to be had for mucklucks, a better muckluck was made of cotton and the fur coats first issued were replaced by tightly woven cotton combined with wool. Wool continues to be used in the heavy overcoats and the \$12 blankets. The Quartermasters provide shoe repair and tailoring units in the field and the shoemakers and tailors also fight if called on . . .

"Don't forget that," said the Quartermaster. "Every one of our men is trained to fight."

All of these things are being accom-



things don't always turn out as you expect

Not every vegetable in your Victory garden matures as you had hoped. The same is true of other expectations.

You don't expect your house to burn ... nor a windstorm to rip the roof off. You don't expect to be injured in an accident ... nor to have your luggage stolen ... nor your dog to bite the postman. Yet such things do happen—which is why prudent people carry insurance. It cushions the blow.

just what forms of insurance are most essential to you and what is the most economical way to buy them varies considerably with different individ-

uals. To make expert advice readily available to you, the Aetna Fire Group sells only through reliable local agents and brokers. These representatives can give you valuable assistance both when you buy insurance and in the event of loss.

Also important is the fact that when your insurance is with a capital stock company such as those comprising the Aetna Fire Group, it is backed by both a paid-in capital and surplus. You are never liable for assessment.

**Don't Guess About Insurance
—CONSULT YOUR LOCAL
A G E N T O R B R O K E R**

Since 1819 through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.

WARS	CONFLAGRATIONS	DEPRESSIONS
1846	1835—New York City	1819
Mexican War	1845—New York City	1837
1861	1851—San Francisco	
Civil War	1866—Portland, Me.	1843
1898	1871—Chicago	
Spanish-American War	1872—Boston	1857
1877	1877—St. John, N. B.	1873
	1889—Seattle; Spokane	
1901	1901—Jacksonville, Fla.	1893
1917	1904—Baltimore	1907
World War I	1906—San Francisco	
1941	1908—Chelsea	1921
World War 2	1914—Salem	
	1941—Fall River	1929

The Aetna Fire Group

HARTFORD, CONNECTICUT

Aetna Insurance Co. • The World Fire & Marine Insurance Co. • The Century Indemnity Co. • Piedmont Fire Insurance Co. • Standard Insurance Co. of N. Y. • Standard Surety & Casualty Co. of N. Y.

NATION'S BUSINESS for July, 1943

plished by a task force headed by regular army officers plus business men. The officers of the Quartermaster Corps have been studying soldier needs ever since the First War. They called in specialists in clothing, baking, shoe making and other lines. Unite an officer who knows what he wants with a business man who knows how to make it, and you have a team worth looking at.

Horses, mules and dogs

AT FRONT Royal, Va., the Quartermasters have a remount station, because it is their duty to provide the Army with horses and mules. To get the right kind of horses, the Quartermasters breed them. The farmer who owns the right kind of a mare may enlist the services of the right kind of blooded stallion. Not every one will do. Dogs for the Army are trained there, too, by professional trainers.

The high-priced Great Dane of a movie big shot was sent back to him . . .

"He isn't soldierly," said the trainer. "He'll catch an enemy, all right. Then he wants to kiss him."

We would not convey the impression that the Quartermasters are without fault. No one engaged in a business that

spreads while you are looking at it could fail to miss a trick now and then. The business men, who have been brought in, feel creeping fingers of ice on their spines occasionally. They have pointed out—Col. Louis C. Webster speaking—that . . .

"Listen! Buying in these quantities we can get a damn sight better price. It is just sheer nuts to pay so much for these goods. We can go see these people and tell 'em—"

Colonel Webster was a business man himself before the *schickelgrubing* began. He put in 29 years in the Army as a subsistence officer and then became manager of the Northwest Country Elevator at Minneapolis. He watches the buying of non-perishable foods at 23 regional depots.

"Get in there and buy," he tells the afflicted commercial. "We're buying time, too, and that's a damn sight more expensive than anything else. We've got to get that stuff to the Army when it wants it."

When the Second War began, the Army planned to house its men under canvas. The idea would not work, so the Quartermasters were called on to build, or start building, 450 cantonments at a cost of more than \$1,500,000,000. And,

just incidentally, to increase the number of Quartermasters tenfold almost overnight. At the same time they handled all transportation, including the operation of the Army Transport Service and a fleet of 5,000 harbor boats.

Although the job did not get too big for the Quartermasters, a new alignment of jobs was ordered. The Service of Supply, now called the Army Service Forces, was created with Lt. Gen. Brehon Somervell at the head—and Maj. Gen. Edmund B. Gregory continued in command of the Q.M.C. This simplified a supply problem which involves, among other things, camels . . .

New high in delousers

HERE and there we need camels. We have not bought camels since Jefferson Davis was Secretary of War. Also it involves peanuts and sporting goods; slip horns and piccolos; three outfits of clothing for each soldier with 66 items in each; delousers . . .

The delousing operations have struck a new high. The old-style steam-cookers are still used, but the Quartermasters reflected that, in the midst of a campaign, the soldiers may be too busy to get to them. They found a chemical combination that will knock the bugs dead but boils at 40 degrees. So they devised a neat little glass ampoule with an air chamber large enough to handle the expansion. Now the fighting man who feels a travelling bug merely breaks the ampoule and pours the contents in a bag containing his clothes.

This is only a sample of what the Quartermasters are doing—when they are not fighting—to bring home comforts to the men. A one-pound stove has been invented which makes field cooking possible. A five-pound stove for tank uses is housed in a stout can in which coffee may be made or soup warmed up. It should have an immense market among fishermen when the war is over.

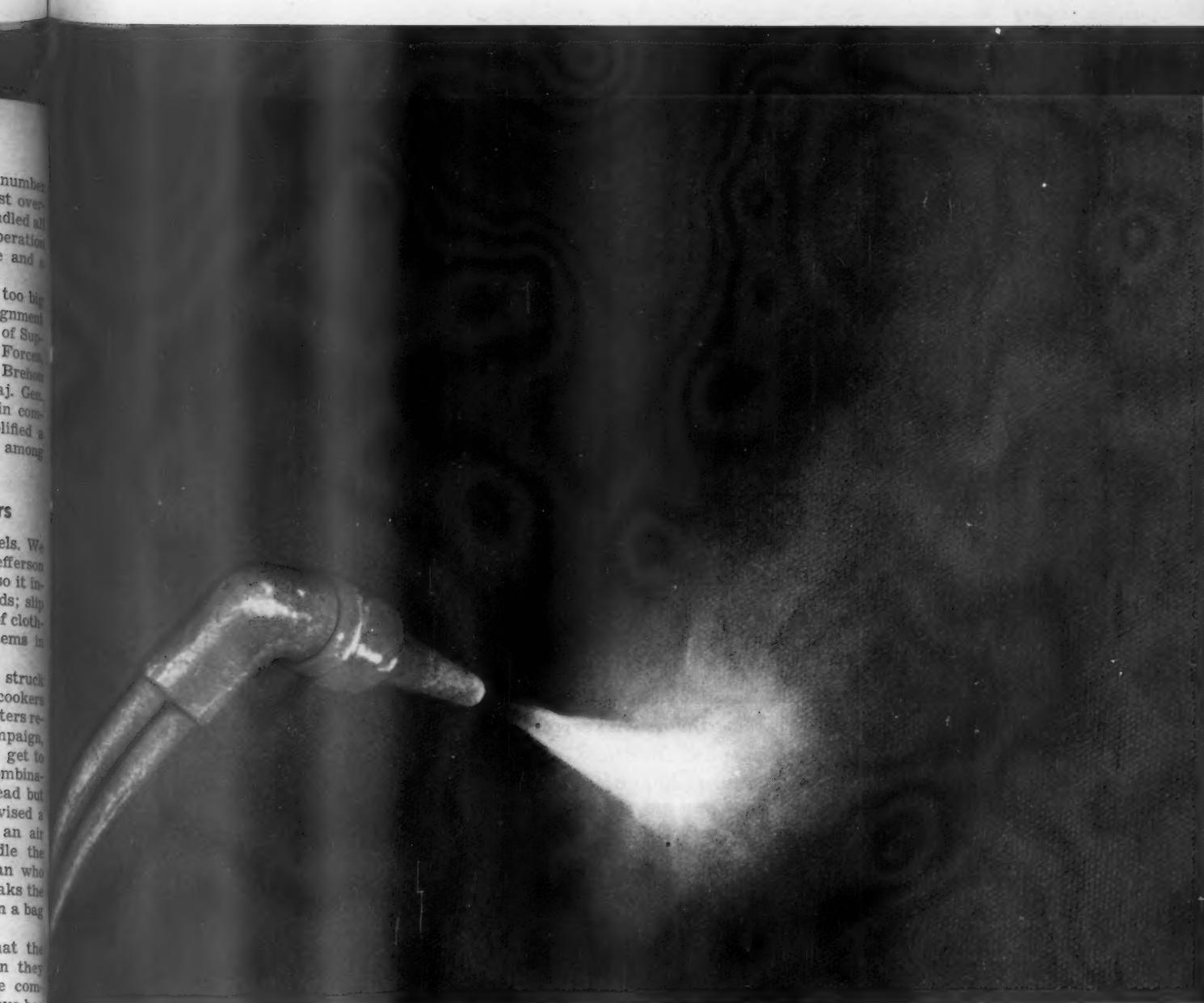
Millions of Halazone tablets were procured almost overnight for water purification. Each soldier carries them in a small bottle. One tablet will purify a canteen full, if the water is not too bad to begin with. Small packages of rice, sugar and tea and other items were put up for bartering purposes, and many a tired man by their aid had been able to hire a native to carry a load or dig a foxhole.

For the Tunisian expedition the innumerable articles required were put up in packages that might be said to interlock, so closely did they fit for space-saving. Each was marked with code letters so that it went to the right ship, was loaded in the right place and was delivered to the right unit.

Nothing has been said here of the quartermasters' motor transport service because it is a story in itself. But the Q.M. trucks get the stuff to the ports of embarkation as a supplement to the railroads and river barges. The Corps has practically cornered the supply of duck feathers to be used in sleeping bags—a soldier can zipper himself into a new style bag like getting into a suit. They're fighting men, too. Remember that.



"Don't ask me! He just drove in here and parked it"



It Welds Steel... Yet Won't Ignite This Canvas!

This actual, unretouched photograph of a white-hot oxyacetylene torch flame billowing off a FIRE CHIEF Canvas welding curtain, tells more than a thousand words. Yet fire resistance is only part of the story.

This HOOPERWOOD "Engineered Canvas" is equally resistant to water, weather and mildew, greatly lengthening its life in service.

"Canvas Engineering" is opening up new broad fields of usefulness — offering advantages many products will benefit from when the peace is won and our entire production is no longer required by the armed forces.

To mention but a few — awnings that won't ignite from carelessly tossed cigarettes or rot

from mildew — special canvas truck covers that will outlast their predecessors several times over — canvas marine supplies that will help strike out the fear of fire on shipboard — aircraft canvas fabrics that repel gasoline and oil.

These and many other applications of "HOOPERWOOD-Engineered" fabrics for Business and Industry will be waiting for you when conditions return to normal.

WM. E. HOOPER & SONS CO.
New York PHILADELPHIA Chicago
Mills: WOODBERRY, BALTIMORE, MD.

Since 1800 (through six wars) the HOOPER name has symbolized highest quality in Cotton Duck and other Heavy Cotton Fabrics, Paper Mill Dryer Felts, Filter Cloth, Rope, Sash Cord

• **Fire-Chief Finished**
HOOPERWOOD COTTON DUCK •



Unless we keep our highway systems in repair, we will court disaster

Our Next Transportation Crisis

By CURTIS FULLER

THE SLOW disintegration of a highway is hardly as spectacular as the blowing out of a right rear tire. A thin spot today is a ravel next month and a chuck hole next spring. In a year it may be an axle-breaker.

Under weather and traffic, our roads are wearing out today almost as rapidly as our rubber stockpile is melting away.

Little more than a year ago the Government was following a policy which seemed to assign motor cars to a negligible and declining role in the war transportation picture.

A few months of war and vast expansions of traffic demonstrated how preposterous this policy was. Now, instead of ignoring the automobile, the nation is going to great lengths to conserve it.

There seems to be no realization, however, that the proper maintenance of highways is as essential as the maintenance of cars.

Probably the greatest misconception behind the attitude determining public highway policy today is that roads are permanent. Anyone who has maintained the sidewalk to his front door knows this is wrong. Even a concrete pavement has an expected life of only about 20 years. The lighter surfaces—especially those on inade-

ALTHOUGH everyone seems to be interested in conserving tires and automobiles needed in the war effort, little thought is being given to the roads on which they run

quate bases—need constant attention and maintenance. A gravel road may lose 100 to 200 cubic yards of stone per mile in a year. Bituminous highways ravel and pit and wear out.

Instead of requiring less maintenance because automobile traffic has declined, roads today need more because construction has been halted and heavy hauling has increased. Traffic, however, is probably not responsible for half of the disintegration of highways. Weather may cause even more.

Yet no one seems to be worrying about the roads in spite of the fact that they play a large role in moving men and goods.

According to Transportation Coordinator Joseph Eastman, trucks carry about a fourth as many ton-miles of property as the railroads. The great importance of trucks cannot be

measured as much by the amount of goods they haul, however, as by the particularly important services they fulfill in short hauls and terminal distribution and collection.

Moreover, about two-thirds of the nation's 150,000 buses are in school service especially vital to rural areas. Out of more than 1,000 cities over 10,000 population, nearly three-fourths depend wholly upon buses for their local public transportation.

Intercity buses carry passengers for about two-thirds as many miles as the railroads and travel 330,000 miles of highway while, in 749 war production plants surveyed, nearly 500,000 workers were found to arrive by private automobile.

At one aircraft factory employing 50,000, 92 per cent used private cars. In another 741 war production plants, 65 per cent of the incoming and 69 per cent of the outgoing freight moved by highway.

Furthermore, the disintegration of highways could isolate more than 50,000 communities in the United States which are served only by highways for long-distance transportation.

In one of his last statements as

How good are you at remembering names?

HIS FACE is familiar, but you can't . . .

No, you can't remember his name? And sometimes this costs money.

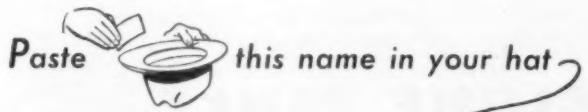
For example, as a business executive you will undoubtedly have occasion, at one time or another, to look into business protection through life insurance. Many a business, operating profitably today, owes its very existence to the backlog of financial help such protection provided at a critical time.

But, with which life insurance company should you place your business?

Why not with the life insurance company that has an extraordinary record, *through the years*, for substantial dividends.

These are times when records count — in men, in materials, in service of all kinds. That's why we say . . .

Don't forget that the difference between insurance companies is significant. When buying life insurance, you may well save yourself premium dollars if you will do these two things — (1) listen carefully to the Northwestern Mutual agent's full story of a wonderful dividend record, and (2) check with any of our policyholders, for they can tell you, better than we can, why no company excels Northwestern Mutual in that happiest of all business relationships . . . old customers coming back for more.



The **NORTHWESTERN MUTUAL**
Life Insurance Company

MILWAUKEE, WISCONSIN



1857-1943

3 Ways TO STOP SABOTEURS



Fence the entire plant area

A strong, high Cyclone Fence, with its barbed wire top, makes the protection job easier. For it guards every foot of property line. It never relaxes its vigil—day or night. Remember, no completely fenced plant is an easy mark for saboteurs.



Screen all windows

No one can toss tools, dies or plans to a confederate outside when windows are covered with Cyclone Window Guards. This is worthwhile protection regardless of your plant location and especially important where windows are adjacent to sidewalks or parking lots.



Put guards at all gates

Make sure that no one can enter your plant except through guarded gates. Employees' and visitors' cars should always be parked outside these gates so that all persons can be checked for parcels or brief cases carried in or out of the plant.

THESE protective measures are helping industry in its successful war on saboteurs. Fortunately, when war broke out, thousands of plants already had this vital protection. And since that time, hundreds of new plants have been fenced with U.S.S. Cyclone Fence.

What about your plant? Perhaps a few feet of fence to complete enclosure or

repair a weak spot, improvement of gate locations or addition of window guards would tighten your protection system. If you need materials to do this, get in touch with us. Demands are heavy, and supplies are limited. But if you are making war goods and must have fence, we can supply you. We'll help you make your plans, and provide a free estimate.

CYCLONE FENCE DIVISION (AMERICAN STEEL & WIRE COMPANY)
Waukegan, Ill. • Branches in principal cities
United States Steel Export Company, New York

UNITED STATES STEEL



CYCLONE FENCE

Clip this coupon—and send it to:
Cyclone Fence, Waukegan, Ill., DEPT. 573.
We'll send you our free, 32-page book on fence.
It's full of facts, specifications, illustrations.
Shows 14 types of fence. Before you choose any
fence for your property, get the facts about Cyclone. Mail this
coupon today.

Name.....

Address.....

City..... State.....

Interested in fencing: Industrial; School; Playground;
 Residence. Approximately..... feet.



O.P.A. administrator, Leon Henderson declared that "reliance on the automobile or rubber-borne transportation is considerably more" than claimed in "even the loftiest statements made by the industries connected with the making of automobiles and tires," and by such organizations as the American Automobile Association.

In spite of these facts, the only roads now being built are those of direct value to the war effort, principally access roads serving war industries and military camps. Highway departments are reconciled to the halting of road construction while the war lasts but they are genuinely concerned about maintenance, without which untold road mileages will collapse. The chief limiting factors in carrying out effective maintenance are shortages of men, money, materials and equipment.

Of these perhaps the most serious situation is that involving equipment. New maintenance equipment is not available and the spare parts situation is even more urgent.

Another threat looms

ANOTHER threat, difficult to assess at this time, is the possible requisitioning for the armed services of road equipment registered through the W.P.B. nation-wide inventory of all construction machinery.

The armed forces have taken by negotiation some snow equipment in the North and a certain amount of county-owned maintenance equipment in the South. Although the amount taken so far is probably negligible, some W.P.B. officials have talked as though a great amount might be forcibly requisitioned. This action could only mean the speedy disintegration of many highways.

The most important materials shortages are steel and bitumens. Steel is essential for bridge repairs and replacements in some locations and some way must be found to make it available in those cases where a road would otherwise be closed.

Except for the slow-curing light asphalts, the shortage of bituminous materials is largely one of transportation. It is responsible for serious damage to thin surfaces over light bases. All light bituminous surfaces are bound to ravel and pit as time passes and many such roads will have to be plowed unless asphalt or tar can be had. In fact, many lightly-surfaced roads are already reverting to gravel.

At least three federal agencies are concerned with highway maintenance, though none seems to be directly responsible and none, of itself, has authority to remedy the difficulties.

The Office of Defense Transportation, interested in highway transport, so far appears not to have thought beyond the motor vehicle.

The Public Roads Administration of the Federal Works Agency is organized primarily as a construction-supervisory agency for federal-aid funds. It has little to do with maintenance, which is performed entirely by state and local units. Nevertheless, the Public Roads Adminis-

tration has undertaken surveys designed to produce the evidence of highway disintegration that the W.P.B. apparently needs before granting needed materials.

The third agency is the Governmental Division of the War Production Board, whose interest in the matter apparently duplicates that of the Public Roads Administration. The Governmental Division has only recently given any evidence that it is aware of the highway maintenance problem.

Without maintenance, no one can say how long our roads will last. A few roads are badly hurt today. Some authorities have suggested two years. Many roads will be worn out long before that. Others might continue without maintenance for five years.

Once traffic is paralyzed, it will be too late. The construction of new highways or the reconstruction of old requires much time, vast expenditures, and much manpower. Even extraordinary maintenance activity can at best only postpone reconstruction.

It would be only wise economy to make parts and materials for road equipment available now for another reason. Poor roads are much more costly than good roads in terms of vehicles, parts and tires. Equipment parts for road machinery now will be saved many times over in parts for commercial and private vehicles later.

To prevent enormous losses by failure of our road transportation facilities, the federal Government should make materials, parts, even equipment available. Selective Service officials should be instructed to consider skilled highway workers as important as skilled railroad workers.

To allow our highway systems to disintegrate is to court disaster.

Eternal Vigilance

SHIPPERS, and the Government now is the principal shipper, consignees and the railroads, working together, are loading and unloading cars quickly. The Army boasts that no car has been delayed a single day because of failure either to load or unload promptly.

Individual customers of the railroads, too, are doing their part. Local Car Efficiency or Vigilance Committees, sponsored by the Shippers Advisory Boards, bring together shippers and receivers, trade organizations, and even in some cases representatives of the Army and Navy. Their job is to keep freight cars moving.

Here's how they work. If X company does not unload its freight cars promptly, the matter is reported to a Vigilance Committee. The president of X company then receives a call from a business man in his own community, often a neighbor or friend.

"Hey, Joe, what's the idea of holding up those cars?"

The president of X company usually promises not to let it happen again.

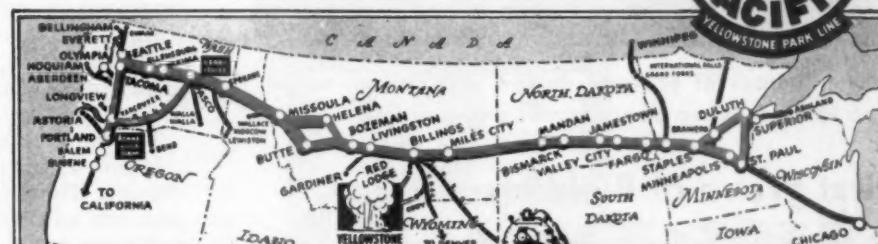


This little pig went to Shangri La

LONG a military secret, details of the bombing of Tokyo re-emphasize this vital fact: the recent increase of American raids on Axis cities would never have been possible without the recent spectacular development of this nation's aluminum industry.

Each year since 1939, this great industry has made giant strides in increasing production. Before the end of 1943, it is estimated that production of metal will be at the rate of 1,050,000 short tons a year—seven or eight times 1939 production—and an important percentage of this amount will be made by ore reduction plants in Washington and Oregon served by Northern Pacific Railway.

Northern Pacific freight cars roll up to these plants with alumina ore, roll away with aluminum pig for fabricating plants. To keep our boys flying over the world's battlefronts, we keep these cars "flying" too, over the "Main Street of the Northwest".



"MAIN STREET OF THE NORTHWEST"

A Postwar Design for Living

By RICHARD E. SAUNDERS

No INDUSTRY has a greater need of keeping sober in respect to postwar planning than the building industry. Its most important product—housing—is something that everyone needs. By the word "housing" we mean, not only the dwelling itself, but the city services which make it habitable, the streets, the water, sewer and electric service, even transportation and recreational facilities. There is no doubt that housing is all set to go places when the war clouds begin to fade. Both in quality and in quantity, the various businesses, professions, and trades that provide housing are preparing to do a better job. But don't expect miracles.

Just what is the postwar housing picture?

The industry pretty generally agrees that a wave of home buying will break out almost the instant fighting stops. The violence of the impact will depend on whether the war ends by stages permitting the gradual resumption of building or whether global operations continue in full fury until the final peace.

Following the first wave will be a second, resulting from the housing demands of demobilized service men. This wave will not come suddenly because demobilization will take a little time and a certain adjustment period will be needed before the men can work out their housing plans.

This concept of the demand waves gives us a rough idea of the postwar housing market. Of course, the flows will intermingle somewhat and there will also be a wave of improvement and modernization work that may top all others. Furthermore, a continuing tidal swell involving replacements and the demands of newly formed families will come after the other waves have subsided.

Let's now examine the various waves.



Larger homes of pre-war design will appeal to settled families when peace comes and building resumes

First Wave of Building

IT IS CLEAR that the initial demand for new homes will come, for the most part, from the families of men approaching middle-age, who have definitely entrenched

"Acres of Diamonds"

The most popular lecture in the United States, based on audiences and attendance was "Acres of Diamonds." The author pictured a man who searched for fortune unsuccessfully over the world, returned in his old age, and found treasure in his own back yard.

Today, we run true to form. We search for some new invention to lead us back to peacetime prosperity. We ask, "What will take the place of the automobile industry, the bellwether of the '20's?" Will it be the helicopter, flying us from home to office roof; will it be a pocket telephone with individual wave lengths, will it be distribution of goods and grains and raw materials by air? And so on and so on.

Give each man his favorite after-the-war development, and yet one basic, time-tried industry will be primary and fundamental. Give him his helicopter or trains lugging freight through the air. To make those helicopters and air liners, the first need will be factory construction, the second need will be homes for the workers in the factories and a third will be take-off and landing facilities at each end of the helicopter journey.

Building, our oldest industry, will therefore be called upon, without fanfare or ballyhoo, to lead the way. If, as it is said, our peacetime national income will be double that of any year previous to the war, then the output of all capital and consumer goods and the volume of services will be doubled. That means twice as much will be spent for shelter, industrial and commercial, twice as much per motor cars, and that means more highways. The \$7,000,000,000 of 1940 will be \$14,000,000,000 in 1945. And the construction industry, with its myriad ramifications—from the blueprints of the architect to the rugs on the polished floor and the service stations on the highways—will be ready.

E. P. PALMER, President, Senior & Palmer, Inc.

Chairman, Construction & Civic Development Department Committee
U. S. Chamber of Commerce

themselves in their jobs, professions or businesses, or from younger men whose essential occupations or family status kept them from active military service. In any event, these will be families who have definitely decided to quit being tenants or who now want a better or bigger house than the one they own.

The main thing is that this first group already has accommodations of some sort. What it wants is better housing. Thus it is safe to assume that the demand in this case will be in the higher price field. It also seems certain that most of these people will be content with a 1939 model plus whatever refinements the building industry has contrived in the intervening years. Fairly



FORTRESS... AT THE END OF MAIN STREET

Out here at the edge of town there are no screaming dive bombers or "ack ack" fire. Yet, here is a true fortress where much of the strength of our nation lies... in deep open pit mines where limestone, coal, iron ore, copper, and other vital minerals are dug to form the huge bulwark of defense and offense.

Here, too, America is meeting the challenge of Axis power — with the most modern and efficient equipment for large-scale mining the world has ever known. Day and night, the big P&H Electric Shovels are straining steel muscles to answer the cry for more — digging and stripping raw materials with steady speed — outstripping enemy capacity with American mass production methods.

Now, these big P&H Electric Shovels and the men

who operate them are hastening the day of Victory. When that day comes, their work goes on, in the interest of lower costs per ton in digging raw materials to create more goods for more people at lower cost.



MILWAUKEE • WISCONSIN
Electric Cranes • Electric Hoists • Arc Welders
Excavators • Welding Electrodes

settled in their living habits, they are not likely to desire houses with radically different designs. Moreover, they will not want to postpone their home buying until the house of tomorrow comes along.

In terms of volume, this first buying wave is expected to total something like 1,000,000 houses although, if the fighting continues through 1944, it will be higher because more families will have reached the buying stage. However, if even 1,000,000 families rush to the market for a home within six months after the war ends, the building industry will have to strain to supply the demand. The largest number of units it ever built in a year was 900,000—and this was way above the average.



Small homes, rental quarters, will appeal to ex-service men until they are in a position to buy

Second Wave of Building

NOW WE COME to the second wave—the housing needs of demobilized service men. The important characteristic of this wave is that it will consist almost entirely of newly formed families. Obviously, the fighting men, who were married just before they entered the service or who made definite marital plans, will need homes after peace returns. But they will have to figure out how they are going to fit into the postwar economy before they will be able to do anything definite about housing.

Thus it is apparent that this second wave will not reach its crest until several years after the war. There are many variable factors, such as the need for large occupation armies or patrol forces; the speed with which we can convert our economic machinery back to normal production; the matter of bonuses and discharge pay; government plans to make it easier for the new veterans to buy their own homes.

The number of houses that these men will require has statisticians stumped. The best guess is that, when all allowances are made, the demand will fall considerably short of 1,000,000 units. Many of the men will go back to school, many of the older ones will return to housing accommodations that their families have kept. Finally, casualties must be considered.

The type of house that the ex-service man will require can be sketched only in broad strokes:

He will want a small house. Until he is in a position to buy, he will want rental quarters and, since the supply of such housing is tight, additional building in this field seems definitely in order. His inclination to buy may be influenced by new ideas about basic design and building improvements. Also the "packaged" house—the new product that prefabricators are getting ready to put on

the market—may be particularly attractive to him. He won't be in a hurry.

Newly located war families may fall into the second wave. These are the families of skilled war workers who want to settle down in communities to which they have moved if the plants where they work can convert into peacetime production or if they can find other jobs.

They will have to go through an adjustment before they are in the market for new housing. Some may decide to buy the privately built war housing units that they are renting as soon as they feel firmly planted.

The Home of the Future

WHAT WILL the new houses look like? We have already decided that the ones built to meet the first wave of demand will be mostly of the conventional type. The second and the continuing tidal swell will probably bring the new ideas both in the houses themselves and in community planning. To bring home ownership within the reach of new families, the building industry will have to develop a product that it can merchandise in competition with new automobiles. This means shooting toward lower costs as well as innovations in design.

Soundings of equipment manufacturers and building designers indicate that the house produced after the first postwar buying wave recedes will be more functional. The kitchen will take on more of the aspect of a real work center—there will be more specialized equipment such as dish washers and garbage disposal units, and it will be better arranged. Bathrooms will be improved. There will be a greater tendency toward the use of prefabricated equipment. Clothes closets replete with shelves and drawers as well as bathroom units may fall into this category. Living rooms probably will have sliding panels so that corners can be closed off into dining alcoves or studies.



Tomorrow's house will be more functional, smaller, and low enough in cost to compete with automobiles

Every house won't have all these changes, of course. There will still be big houses which will not need double-duty rooms, and conventional little houses. But there is no mistaking the trend toward the compact modest-priced house where design efficiency and new equipment will compensate for omitted rooms.

What rooms there are will be of respectable size. You simply can't take a big house, trim it down to a small edition and have a product that is suitable in price and appearance for the mass market.

Also we must not forget about new materials. The part of plastics in the house of tomorrow is still being thrashed out, but look for greater use of new metal alloys—perhaps factory fabricated aluminum and stainless steel window frames. In heating equipment, too,

basic improvements are under way. Heating coils under the floors are being talked about, and air conditioned heating is sure to come back with still better features. It well may be asked, how can the building industry do all these things? What is its past performance record? The average annual building volume between World War I and World War II was 500,000 non-farm dwelling units of all kinds—homes, flats and apartments. In 1925, a peak year, it hit 900,000 units. The depression batted it down but it climbed again to 700,000 in 1940. Actually, building has never kept up with demand since the country started except during special peak years.

To understand this demand factor a little better, we will have to break it down into its two basic components:

1. **The demand represented** by "net" new families—that is the new families formed by marriages each year minus the deaths that occur and family dissolutions resulting from divorces and separations.
2. **The demand represented** by the necessity for replacing obsolete houses.

Since census experts aver that the net new families each year average 450,000, it is clear that, when we average only 500,000 new housing units each year, we have little left over for replacements.

Going on with these figures, we arrive at the amazing conclusion that, at the present rate of replacement, every existing housing unit from the oldest to the newest must be kept on the market 580 years if everybody is to be housed. There are 29,000,000 housing units of all kinds in non-farm areas, according to government figures. Our present building rate—500,000 new units each year—leaves 50,000 for replacements after new families are deducted.

It has not been lack of men, materials, or funds that kept the building volume down. Rather it has been the industry's peculiar characteristic of building houses almost exclusively for the top-priced market and letting them trickle down. It was the same as if the automobile industry had built only high-priced cars and had expected people who could not afford new Cadillacs or Lincolns to buy cast off cars at second, third, or fourth hand.

However, all this was not the fault of the building industry. The inherent difficulty lay in the fact that available land was often held at high speculative prices. Lack of sensible city plans often made matters worse and excessively high real estate taxes were also a deterrent.

Fortunately the industry has already started cracking these problems. Well before 1939 it was building a larger percentage of lower-priced houses each year. Significantly, the average FHA valuation declined from \$6,255 in 1936 to \$5,238 in 1941.

This trend brought about new concepts in location and planning. As it continues, there is almost no limit to the number of new units that can be built each year. New homes will be made available to those who could never before afford them. This will make it possible to hasten the retirement of the most decrepit houses and thus improve the general standards all along the line.

It is not too much to predict that, in this way, we could go far toward eliminating slums by natural process instead of relying entirely on government subsidies.

Other new ideas and developments are also lurking around the corner. Time zoning is one of them. Under this plan, permission to put up a new building in specified areas would be conditioned by a franchise requiring the owner to replace or thoroughly renovate the structure at the end of, say, 50 years. This stipulation would apply to successive owners within the period fixed.

Then there is the plan for rebuilding cities at the core thus reclaiming decaying older sections that have all the potential advantages of nearness to employment centers and stores in the downtown districts, as well as adequate facilities such as schools, water and electric utilities and so on. Operations of this sort could well result in the building of large numbers of new rental units closer in.

Finally, let's give a thought to the building industry. It is a horizontal, not a vertical, industry. It cuts across many other industrial lines: the production of raw materials; the fabrication of building materials and equipment; transportation; warehousing; and many others. But the important fact is that the motivating force is spread out all over the country in almost every city and town. This motivating force consists of builders and local dealers in building equipment and supplies.

The builders are the actual spark plugs but they work in close cooperation with the other local elements. It is true that many builders have temporarily closed shop. The most active 15 or 20 per cent, however, are keeping themselves in form by helping with the war housing program. Even the builders who have shut down can and will come back fast. They have no big plants to go to rust; they don't depend on machinery.

They are the men who know local conditions and land values, and who have the confidence of the local bankers and supply dealers. It will be easy for them to whip an organization together when the postwar market begins to unfold.

Amazons in the Arsenal . . .

WENTY-TWO, six feet tall, weighing 105 pounds, Juanita Anderson works in the Boeing Aircraft plant at Seattle, Wash. She's one of a squad of women who have taken over the job of warehousing, once strictly a task for husky men. All day long she handles heavy loads, moving and piling boxes of parts and material in the storage room. It's tough work.

But, say Boeing officials proudly, Juanita and the other super-women tackle the job of unloading a freight car as if they were wading through a bargain counter. That's not all! When men were handling the job, they used carloading

machines to stack big boxes nine high in the warehouse. Now there aren't enough carloaders and it's almost impossible to get more. So the women do without. They form bucket brigades and toss the boxes from hand to hand up as high as ten feet. They've not only replaced the men; they've replaced the machines.

In other plants, too, women are handling work once reserved for masculine muscles, work calling for unusual strength or dexterity even from men.

In Arizona and Colorado mines, women are sorting ore, greasing machines and swinging eight-pound sledges. In one of the largest midwestern steel

plants a whole group of women are in training to handle huge mill and machine shop cranes. And at an Army proving ground an 18-year-old girl is already operating a 15-ton crane. In foundries, women coremakers are handling heavy materials in heat and fumes, using shovels and tamping tools. Once a pianist, one woman is now operating a milling machine that shapes impulse blades for the steam turbines, a big job. At an Eastern proving ground, an all-girl gun crew is firing and cleaning 90-mm. anti-aircraft guns.

Maybe this proves that all the old business about women being "the weaker sex" is the bunk. The maidens and matrons with muscles aren't interested in proving that. They're flexing their biceps to fight a war.



IF YOU are planning construction or alterations for the near future, these new multiple-function Celotex Products can save you time, labor, and critical materials!

CEMESTO combines exterior and interior finish, plus insulation, in a complete fire-resistant wall unit . . . CELO-SIDING combines sheathing, insulation, and a mineralized exterior surface.

CELO-ROCK WALL UNITS, composed of laminated layers of gypsum wall board, are made in two styles—one weather-surfaced for exterior use, the other clear white for interiors. Both are strong, rigid, fire-resistant.

Get full details from your Celotex dealer, or write direct to The Celotex Corporation, Chicago.

CELOTEX
ROOFING—INSULATING BOARD
ROCK WOOL—GYPSUM WALLBOARD
LATH—PLASTER—ACOUSTICAL PRODUCTS

PERSONNA
Precision Double Edge Blades

10 blades \$1.
and WORTH it

Proof of the pudding is that exacting men everywhere are going for this blade. They want the best possible shaving results, and they get them in Personna. Precision-made by Master Cutlers, rigidly inspected and leather stropped.

PERSONNA BLADE CO., Inc.
EXECUTIVE OFFICES • 599 MADISON AVE • NYC

If your dealer can't supply you, send check or money order to Department E.

Who Will Boss Our Trade?

(Continued from page 32)
securities of a nation with an unbroken record of defaults would, presumably, in the bank's portfolio, be reckoned at par, on an equal basis with those of a nation whose bonds have always been gilt-edged.

Backed by this hodgepodge of assets, the American scheme proposes a new international unit, called "unitas," in which the accounts of the bank will be kept. Although neither coin nor notes will be issued to cover this new monetary unit, it will be regarded as consisting of 137-1/7 grains of fine gold.

As the United States possesses the world's largest stock of gold, as well as the world's largest supply of capital wealth, the contribution of the United States to the bank's capital would give this country the largest voice in its management.

However, as no country can have more than a fourth of all the votes, America would not necessarily dominate the bank's management. It would, nevertheless, have veto power as, on most points, a four-fifths vote is required before any new policy is adopted.

The American plan also, on the surface, avoids the necessity of interfering in a country's internal affairs, except that members are forbidden to tamper with their exchange rates, which can only be changed by permission of the international bank, and no country can make itself the depository for any money in "flight" from another country.

Will world benefit?

NEITHER the Keynes plan nor the White plan nor a combination of both is likely to solve the postwar financial problem. Both attack *symptoms* rather than causes. Exchanges fluctuated, and

currencies depreciated, in the period between the two world wars, not because an international brain trust was lacking or because the gold standard had not vindicated itself.

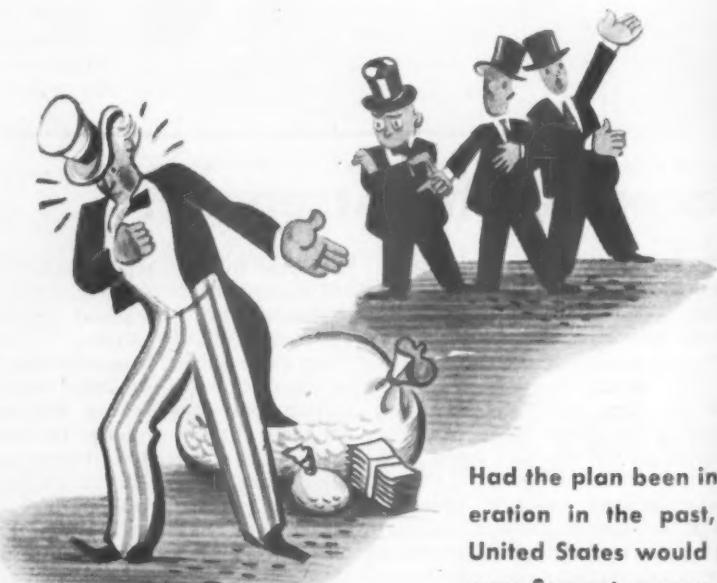
The trouble grew rather, from governmental policies: refusal to balance budgets; or adoption of extreme nationalistic measures to gain trade advantages, such as insurmountable tariffs or deliberate depreciation of currency. Neither the Keynes plan nor the White plan attacks these causes of unstable exchanges and consequent ruinous international trade, except by indirect.

What alternative?

THE United States, whose financial strength would make her most involved in backing either of these proposals, has no guarantee that she would not be dissipating her resources as even proved she would have done in the pre-1930's had she not refused to associate herself with similar schemes which attacked only symptoms and not fundamentals.

A healthy and expanding world trade after the war is essential, especially to some countries like Great Britain. Without foreign trade, Britain could support barely half her population of 45,000,000. After the war she will need a greater volume of sound foreign trade than ever, because she will have to replace income lost in fighting the war.

Britain is, therefore, interested in any scheme, even as unsatisfactory as the Keynes plan, which offers hope of making the wheels of foreign trade go 'round. Great Britain is no longer able to supply the financial sinews which, in the 19th Century, made her almost the sole master of the world's trade. Hav-



Had the plan been in operation in the past, the United States would now own figment money

been the first to adopt a rigid gold standard at the beginning of that century, England became the center of the acceptance market for bills of exchange, the instruments by which international trade transactions are effected. The sterling bill rigidly tied to gold, was used in all parts of the world for foreign trade transactions, and foreign countries were able to relate their own currencies to the stable English pound. With the outbreak of World War I and the suspension of a free gold market, London's position as a center for international banking suffered a severe blow. New York developed an active acceptance market for foreign bills of exchange, offering a challenge to London as a foreign financial center.

After maintaining the gold standard for a century against every attack, a combination of circumstances in 1931 forced Britain off it for the second time in two decades.

This should be America's opportunity to take up the task that Britain can no longer perform. Even the Keynes plan acknowledges that the American stock of gold places this country in a position of "impregnable liquidity."

With this huge gold stock in the background, the United States could easily establish a "free dollar" immediately the war is over. This dollar, redeemable in gold, would form as sure an anchor for the transactions of foreign trade as the pound sterling afforded in the 19th Century.

Washington Ditties

By BERTON BRALEY



Our Big Family

Washington mansions are large and spacious.

Hospitality here is gracious; landladies welcome guests for whom they put six beds in a double room.

We stock your size!

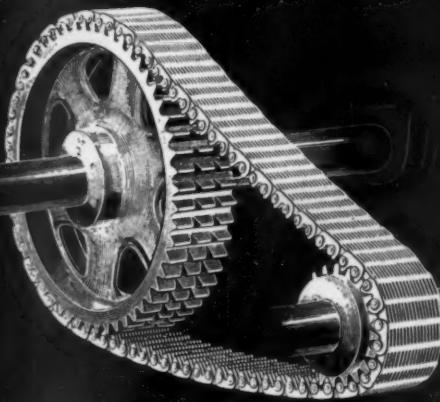
From the smallest weekly-premium policy to the largest contracts written, we offer you the right fit at the right price.

**May we help you
study your dimensions?**



The Prudential
Insurance Company of America
Home Office, NEWARK, N.J.

MORSE



MORE POWER DELIVERED

There is no substitute for Morse Chain Drives—the principle of teeth not tension. Every test shows that chain drives deliver more power and cost less in the long run.

Morse Chain Drives give you all the advantages of positive, non-slipping

power transmission.

Today, when every minute counts, Morse Drives are delivering millions of horsepower with minimum of loss and down time. Morse Engineers are at your service to help you plan efficient chain drives.

SILENT CHAINS

ROLLER CHAINS

FLEXIBLE COUPLINGS

CLUTCHES

MORSE positive DRIVES

MORSE CHAIN COMPANY ITHACA, N.Y. DETROIT, MICH. DIVISION BORG-WARNER CORP.



Short Cut to Safety FROM FIRE OR FLOOD

Two of the most common causes of damage to equipment, materials and buildings can now be guarded against effectively and at low cost.

A LaBour Type SFI portable pump, weighing only 178 lb. complete with air-cooled gasoline engine, brings invaluable versatility in plant protection. When fire threatens, it makes available, in just a few seconds, a hard-hitting 50 GPM water stream at 65 lb. pressure. The SFI's famous LaBour centrifugal pump primes itself.

Because the SFI draws water from any source it is indispensable when heavy rains or broken water mains bring flooded work or storage areas, underpasses, or other low points. Run at slower speed, producing less pressure, this SFI can handle approximately 125 GPM.

Get full details on this short cut to safety for your plant. Write today for bulletin describing the type SFI.

THE LABOUR COMPANY, INC.
1605 Sterling Ave. Elkhart, Ind., U.S.A.



PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 110

A cash dividend declared by the Board of Directors on June 16, 1943, for the quarter ending June 30, 1943, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on July 15, 1943, to shareholders of record at twelve o'clock noon Pacific Wartime on June 30, 1943. The Transfer Books will not be closed.

E. J. BECKETT, Treasurer

San Francisco, California

Test for a Double Victory

(Continued from page 27)
group is called, is an experiment in one of the Westinghouse war plants. Its immediate significance is that it is helping to win the war. But it goes beyond that.

"If the experiment proves successful—as it is to date and gives every indication of continuing to be—it will change the attitude of Westinghouse and perhaps all industry toward using older men and women," says Ralph C. Stuart, Manager of Manufacturing and Engineering of the Westinghouse Lamp Division.

There is nothing altruistic about the experiment. It started some months ago when the company began to have difficulty finding workmen.

"There's a shortage of young manpower," the industrial relations men reported, "but we can give you plenty of men from 40 to 60 years old."

"That's no good," said executives. They pointed out that men in that age range would no longer have the adaptability, quick perception and dexterity needed to learn anything as complicated

as sealing tubes. But soon there was a choice. The hiring of oldsters began.

Herb Royal was first to be hired. A graduate of Temple Law School in 1912, except for a term in the French Foreign Legion in 1916 and the U. S. Air Corps in 1918, he had practiced law until three years before when he had decided to retire and live on his farm in Livingston, N. J. Factory experience: none.

There was R. Harold Scott Selman who, at 17, had gone on the stage as a Shakespearean actor. He had been in and out of New York theaters for 20 years; had acted in vaudeville, written one-act plays and, until he came north to go into war work, had operated his own theatrical company in the South.

These men, typical of the scores hired, all admitted complete ignorance.

"We didn't baby them," Jens Aakjaer, a foreman, says. When a "new old-timer" came on the job, the foreman explained the details of glass lathe operation and carefully went through the proper methods of tube sealing—just like he did with any other new workman.



BELLRINGER



Examples, Not Sermons

Personnel managers are learning that publicizing good examples of unusual attendance performances by workers does more to cut down willful absenteeism than do long speeches. Typical of this trend was the publicity surrounding disclosure that these two brothers, Barney and Stanley Rogers, had worked a total of 24 years without missing a day's work, or being tardy, at the Hamilton Standard Propellers Division of United Aircraft Corporation, East Hartford, Conn. Barney had worked nine years, Stanley 15 years without an absentee mark.



Then the new man went to work alongside veteran lathe workers. The foreman and group leaders were always available to answer questions and give advice. That was all.

"Sure, it took some of them a little longer to get the knack of the thing than it does a fellow 21," Aakjer reports. "We expected that. But what surprised us was that it was just a little longer."

Still officials watched closely. The big test was still ahead. Would the older men be able to stand the strain?

Turnover is low

AFTER the first few months, the records on employee turnover were checked. It was discovered that turnover among older workers was actually less than average turnover among all other men on similar jobs. That's true today.

These men—and many of them work on the third or "graveyard" shift—are standing up to the job. Joseph F. Branigan, 67, the oldest worker hired thus far, is "one of the liveliest men in the shop and one of the most active mentally," his foreman says.

Records show that absenteeism for this group is low, too.

Figures for one section of the shop selected at random revealed that members of the middle-aged corps were absent only one-fourth as often as the other employees. Their lateness rate was correspondingly low.

Right from the start, older workers proved more interested in learning every fine detail of their jobs. They were constantly asking about things that younger workmen didn't seem to worry or wonder about.

The success of the experiment is no surprise to psychologists. When told about it, Prof. Irving Lorge, Columbia University expert in adult psychology, was completely unastonished.

"People are never too old to learn," he declares. "All evidence indicates that learning ability does not change much as a person grows older. Although it may take older men or women longer to learn a new method or technique, they are nevertheless just as capable of learning and doing an efficient job."

Psychologists have known these things for a long time. But it has taken a war to give them an opportunity to see experiments made on a large scale.

The average age of American population has been increasing every year. After the war it is likely that there will be as many people more than 40 as there are under that mark. Unless we want to have half our population dependent upon the other half for support, we can't afford to go back to the days when all too often the man or woman past 40 was turned back at the factory gate.

The Westinghouse experiment proves that this isn't necessary. If older men, many of whom have never before worked with any kind of machinery, can operate glass lathes there's every indication they can be just as effective throughout almost all industry.

BUY U.S. WAR BONDS



THE WAR WILL END

AND when Peace reigns once more, Americans will turn to unrestricted stream-lined automobile travel, to the purchase of amazing new radios and television sets, refrigerators, washing machines, new homes, speed boats, family airplanes and all the thousands of other things that are the economic birthright of Americans.

When that day comes the modern-thinking, alert manufacturer will have established his plant where raw materials are plentiful, where labor is intelligent and cooperative, where electric energy is found in large blocks for industrial use and where climate is a helpful partner of industry.

North Carolina offers all

these essentials plus the natural advantages of a geographic position: outside the congested areas—yet close to the richest consuming markets.

Opportunities for recreation are unlimited from the shores of the sea to the highest mountain peak in eastern America. Year-round outdoor sports.

Post-war industrial planners are invited by North Carolina to write today for specific information engineered to your field. Address Commerce and Industry Division, 3121 Department of Conservation and Development, Raleigh, North Carolina.

NORTH CAROLINA

Workers are soldiers and Tools are guns...



Mac's uniform is a "jumper" and his gun is a wrench, but he's among the number-one men in this war. His production — and the production of the millions like him — today is freeing the world . . .



And in scores of plants, the tools Mac uses are protected against loss and damage by Ohmer Tool Control Machines — the registers that provide fast, simplified, fool-proof control for the precious tools that are the "guns" of our production front.

THE Ohmer Tool Control Machine is just one of many Ohmer Registers that have "made way" for our own war production program. Each day we receive new word that the Ohmer products made for peace-time pursuits are more than holding up their end on the home-front and production-front. Their service now is their best recommendation to future peace-time users.



Ohmer Register Co., Dayton, Ohio

CASH REGISTERS for every type of retail store
FARE REGISTERS and TAXIMETERS for transportation
TOOL CONTROL REGISTER SYSTEMS for industry

We Tour the HOME FRONT

Bombers fly higher and stay there longer because of a chemical which increases by 50 times the high altitude life of carbon brushes for airplane generators. Westinghouse Electric and Manufacturing Co. developed it, has made it available to all companies producing generators for our air forces.

Tanks are ready to roll on arrival on foreign soil because of an elaborate sealing and protective system developed by the Electric Auto-Lite Company, Toledo, which combats elements encountered in ocean travel.

A cabinet shower developed by Henry Weiss Manufacturing Company, Elkhart, Ind., increases bathing facilities and conserves metal. It uses less than one pound of metal.

A 21-acre Douglas Aircraft bomber plant at Tulsa, has just been air conditioned by York Ice Machinery Corporation. In 24 hours it will remove enough heat to melt almost 6½ acres of ice a foot thick.

Life-saving rubber coverall suits made by Goodall Rubber Company, Trenton, are protecting 85,000 American merchant seamen. In less than one minute these suits can be donned and closure drawn to keep the sailor snug even at the bottom of the sea.

Employee bond purchases of the automotive industry average \$4,500,000 a week.

In the first World War a soldier was moved approximately three times in the course of his training before he left the United States, transfers being handled in coaches. In this war each soldier is moved about six times before leaving, and usually travels by Pullman.

Plastic nozzles, strong, durable and light are now replacing critical metals in fire-fighting equipment.

Output of flowmeters was doubled in a month by the Minneapolis-Honeywell Regulator Company to speed expansion of the 100-octane gasoline and synthetic rubber programs.

118,000 "shooting irons" ranging in size from carbines to cannon, was General Motors production in one recent month.

Average wage per employee for the Pullman Company in 1942 was \$1,958—an increase of 28% over 1940.

A plastic bayonet molded from high impact-resistant phenolic resin board designed for drill and parade releases thousands of steel bayonets for fighting fronts. Prophylactic Brush Company collaborated with the Navy in development.

Glass without sand has been developed by American Optical Company. It is claimed this glass will make superior lenses for seeing, taking pictures and studying microbes.

The largest integrated steel mill west of the Mississippi costing \$150,000,000 is now being built for the Government near Provo, Utah, by Columbia Steel Company for account of Defense Plant Corporation. It will provide steel for war shipbuilding needs on the Pacific Coast.

More than 4,000,000 pounds of lake sand are used each week by Libbey-Owens-Ford Glass Company at Toledo, Ohio, for grinding and polishing of plate glass used in many types of military equipment.

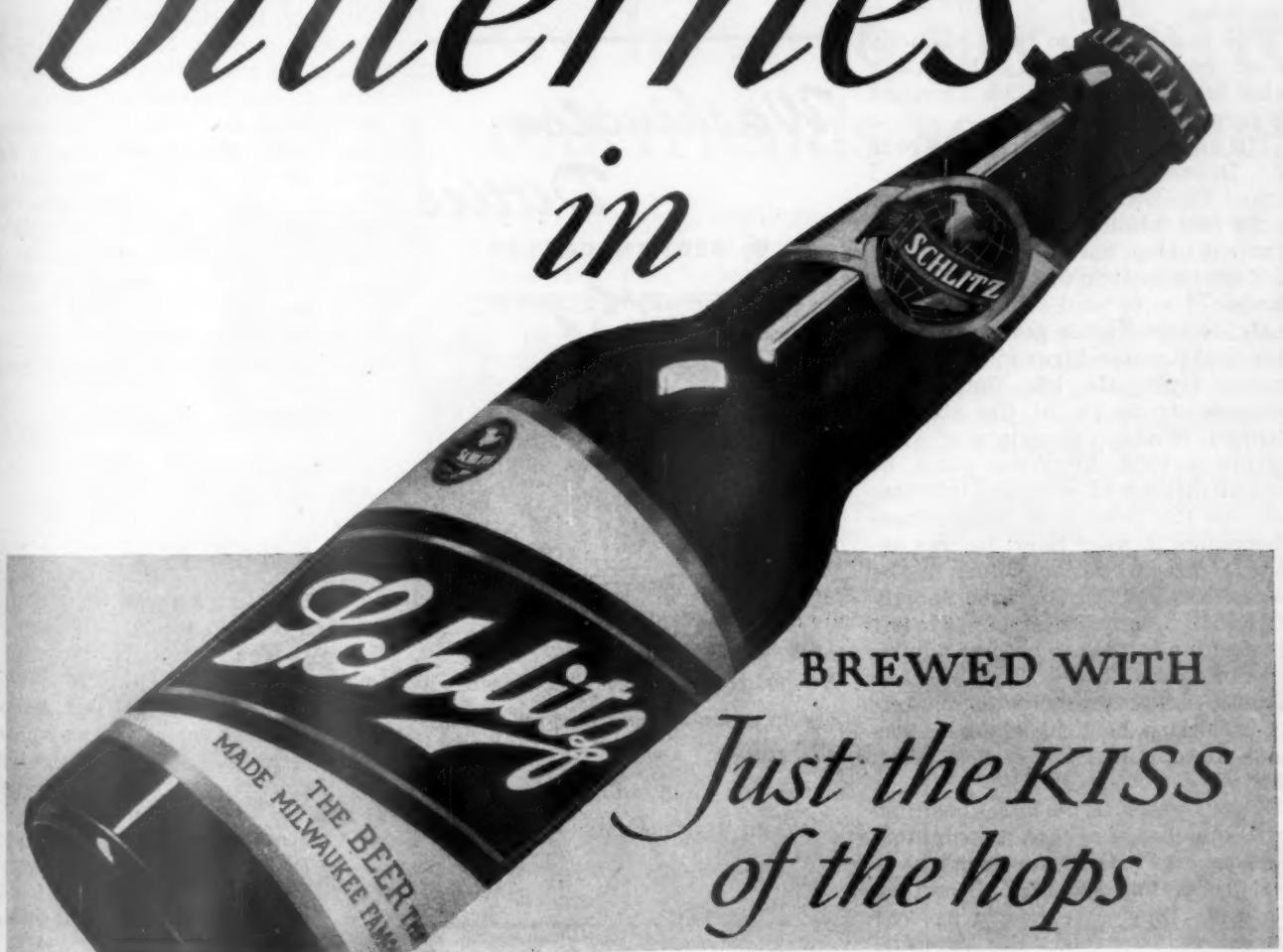
Moving without stopping operations is being done by a tumbling mill of the Southern Products and Silica Company which is moving to Columbus, Texas, from Lilesville, S. C., working all the way.

A mile-long aerial tramway will soon be in operation to transport approximately 2,500 tons of asbestos-bearing rock along the side of one of the Green Mountains from an asbestos deposit near Lowell, Vt., to the mill of Vermont Asbestos Mines, Eden, Vt., Division of the Ruberoid Company.

Production of the brass industry as a whole has more than doubled since 1939. The American Brass Company's production of brass for ammunition alone is now 80 times greater than its production for that purpose in 1939.

A simplification of pay roll calculation is offered in the "Wage Master," a new device for employers to figure correct wages easily and quickly. The method was devised by the Wage-Master Company, 20 North Wacker Drive, Chicago.

There's
No
bitterness
in



THE BEER THAT MADE MILWAUKEE FAMOUS

Copr. 1943, Jos. Schlitz Brewing Co., Milwaukee, Wis.



The Man Who Knows Your Groceries

(Continued from page 36)

through the years, although their positions have changed greatly. Today, Hendrickson has the biggest administrative job in Agriculture, outside of Chester Davis; while Dr. Wilson, in his late 50's, might take orders from his protege at any time.

Knew he would go far

"I KNEW when I first met him that Hendrickson would go far in the Government," Dr. Wilson recalls. "He has two traits that stand out—a tremendous amount of physical and mental capacity, and the ability to make up his mind and stick to his decisions. When he gets the facts, he acts."

Other acquaintances (everybody seems to know him!) explain the Hendrickson march to power with other accolades:

"He hasn't tried to run a publicity show for Hendrickson. His whole mind is on getting the job done, not on personal projects.

"Of all the men I knew years ago in the Department of Agriculture, I picked Hendrickson as the comer. He is the best administrator in the Government today, bar none."

"I kept him, didn't I?" says Chester Davis.

Mr. Hendrickson's government career is a Horatio Alger story, Washington style. He left Subsistence Homesteads to go to the staff of Henry L. Wallace, Secretary of Agriculture in 1934. After two years, he became director of economic information for the Bureau of Agricultural Economics. A year later, he was assistant director of personnel in the Department of Agriculture. Shortly after that, he became director. He left his position in 1941 to become administrator of the Surplus Marketing Administration and director of marketing, positions he held when he was made director of FDA in December, 1942.

When he took on his latest position, he was in charge of food distribution, and Herbert Parisius was in charge of food production, both under Secretary Wickard. They were known as "the Siamese twins of food." But Mr. Parisius left, with warnings about a coming crisis. Mr. Hendrickson stayed to face the crisis.

"As I see it," Mr. Hendrickson says, "my duties are very simple:

"The most important thing is to get food. I buy for Lend-Lease, for our overseas possessions, for the Red Cross.

"Next most important is procurement coordination. I must see that, when the Army, Navy, Marines, Coast Guard, Veterans Administration and other big buyers go after food, the food is there and that they don't bid up prices or overlap in their purchases.

"The next big phase is allotting the food. We have procedures by which each group—Lend-Lease, armed services, etc.—put in their claims for certain portions of the total supply. We see that the food is available and that each group gets its fair share."

Mr. Hendrickson is chairman of the Inter-Agency Planning Committee, which plans how to speed up food production, and also is chairman of the Allocation Committee, which allots each claimant its percentage of the total supply.

Although he reduces it to simple terms in conversation, Mr. Hendrickson's job is most complicated. Congress, through the years, has passed some 26 regulatory laws which he not only must administer, but obey.

In addition, he must plan and issue the 55 emergency "set aside" orders. And, of course, he must see that these are obeyed after issuance.

"A government administrator," he says, "must be able to make a big organization move within, or in spite of, the rules that have been built up through accumulated laws.

"Many persons who have been successful in business have found themselves frustrated and bewildered in Washington, because they couldn't slash through the rules and did not know how to operate within them.

"Administering a food program any time is difficult. In war it is like traveling in uncharted territory without a compass."

To go into this uncharted territory with him, Mr. Hendrickson has some 13,500 employees. Most are in Washington, but many work out of regional offices in San Francisco, Denver, Dallas, Atlanta, Des Moines, Chicago and New York. Mr. Hendrickson's men check on the grocer to see that he doesn't accept milk deliveries from more than two dairies a day. They check on the packer to inspect and pass on meat. They check the broker to see that there is no funny business on the exchanges. They check the consumer by telling OPA what to ration.

Washington Ditties

By BERTON BRALEY



Chivalry

Washington courtesy is complete.

— In a homebound bus, for an illustration,

Ladies can always find a seat

(When the gentlemen get to their destination).

On the production front, he and his men are planning ahead for three or four years, no matter if the war might end in six months—which he doubts.

He asks: "What's the use of taking a chance? We'll need enormous amounts of foods for some time after the war. Our job won't end on armistice day."

\$400 profit on onions

"THUNDER," he says, "we have problems that nobody ever has faced before."

Roy F. Hendrickson (he won't give his middle name) was born December 29, 1903, in St. Ansgar, Ia. (population 934 today), where he still maintains his legal residence. His father, now retired and an Office of Civilian Defense blockleader in St. Ansgar, had a fair-sized farm, and Roy picked up a general knowledge of agriculture.

However, the only real experience he had in farming, he recalls, came when he was 14 years old. In that year, the elder Hendrickson gave Roy an acre of ground, staked him with a little cash, and the boy planted onions.

The onion market in '18 "went to hell," he remembers, but he refused to sell for low prices. By the next summer, his onions had rotted.

Not to be outsmarted by economic forces, the next spring he planted two acres of onions. The market was good. After he paid back his father, he had \$400 profit.

Years later, he sat down one after-



War travel gets first choice...that's why we have to say "no" to old friends sometimes

IF you're not always able to get your favorite space on your favorite Milwaukee Road train, it's because wartime demands on the railroads are so heavy. When all the lowers are gone, it's because they've been assigned to travelers who bought their tickets before you—or because members of the armed forces or vital production groups are on the move.

If you have to sleep in an upper, or ride in a crowded coach, it's due to conditions beyond our control. We're doing everything we can to supply travelers on our railroad with satisfactory service. However, there is a shortage of passenger cars and, at present, priorities do

not permit us to obtain material for new equipment.

If you're delayed en route, remember troop trains have to be high-balled through and special freight trains have to speed war matériel to places where most urgently needed. War traffic has right of way and occasionally disrupts advertised schedules.

The Milwaukee Road appreciates your patience and your recognition of the difficulty and importance of our job. When you ride with us, you'll find us, as ever, anxious to make your trip comfortable and pleasant.

★ Victory Travel Code ★

- Don't travel unnecessarily.
- Travel in mid-week.
- Cancel reservations promptly if plans are changed.
- Choose the slower, less crowded trains.
- Travel by coach rather than by Pullman.
- Carry a minimum of luggage.
- Don't take a "traveling around" vacation—make it a one-trip affair.



THE MILWAUKEE ROAD

SERVING THE SERVICES AND YOU

TO MANUFACTURING EXECUTIVES

In your post-war planning, you may be working on some idea or development in which oil-hydraulic mechanisms or accessories might be used to excellent advantage. Or perhaps you haven't yet considered the merits of oil hydraulics . . . Industry's New Right Hand for exact control of power and movement. In either case, we may be able to assist you.

Through pioneering and 15 years experience in the field of oil-hydraulics, our engineers have solved many unusual and special problems. We offer you the benefit of this experience and will be glad to consider your present problems. Though our war work has priority, Denison engineers are still available for collaboration with a few manufacturers on post-war problems. Write us briefly . . . whether we can help, and further discussion is warranted, can be quickly determined.

The DENISON
ENGINEERING COMPANY
1191 DUBLIN RD., COLUMBUS, OHIO



**BUY MORE
UNITED STATES
WAR
BONDS**

noon and knocked out an essay entitled: "Onions by the River Bank," which *The Country Gentlemen* bought for \$50.

Roy's two brothers, Morris B. and Otto Hendrickson, are still farmers. One lives on the home place near St. Ansgar and the other at Fertile, Ia. The girl in the family, Miss Esther Hendrickson, teaches biology.

At the time Roy went to St. Olaf's College at Northfield, Minn., he yearned to be a professor of literature. But after three years there, he wanted to write. He became editor of the school paper, "The Manitou Messenger," in his sophomore year, and soon was correspondent for both the Associated Press and the United Press, serving the rivals so skillfully that both offered him regular jobs before he left school.

In the summer of '23 he took a job with the *Duluth News-Tribune*, and by September was making \$30 a week.

"Let me stay a year and save some money. I'll go back to school," he told his father.

"Do as you like, but not many people ever go back to school after a year out," the father replied—prophetically.

A short time later, Roy Hendrickson accepted a job at \$35 a week on the Sioux City (Ia.) *Tribune*. Within a year, he was making \$40 a week—much too much to leave to go back to school. Besides, he had won a large automobile in a lottery and sold it for \$1,400.

Striking out to see America, he did free-lance work through New England and beat around the East pretty thoroughly. Then he decided to keep his promise to return to school, and in the fall of '25 he registered at the University of Minnesota, going to school by day and working for the Associated Press by night.

Lives in suburbs

WHEN he chose \$50 a week and leisure to less than that and school, he dropped out of the university. Besides, he had married Charlotte Nicholson. He soon became state capital reporter for the Associated Press, staying in St. Paul until 1929, when he became the Associated Press bureau chief at Minneapolis. He remained there until coming to Washington in 1932.

Today, Mr. Hendrickson lives in an old Washington suburb. Around his home is a half-acre of ground, with an orchard and a victory garden.

He has three girls and two boys—"a full house in poker." Mr. Hendrickson is six feet tall, weighs 210 pounds and in normal years would keep his weight down by playing tennis. Now

he spends his Sundays in his garden. He reads several books a week, does little entertaining, although he has many friends in Washington. Nominally a Lutheran, he attends no church regularly.

Mr. Hendrickson is wrapped up in his work. He is frequently on the radio, urging farmers to produce more and consumers to kick less. Like all human beings, he makes mistakes. One of these he would like to forget, but his friends remember it.

He was taking part in a discussion of food problems after attending a radio forum in which he defended grade labeling vigorously.

"Why bring in grade labeling now?" one of the debaters asked. "It's late in the war and will require thousands of new employees, despite our strained manpower situation."

"We won't have to use manpower," he replied. "We'll employ women."

He was considerably riled when the debater, a woman, rejoined: "Well, wait until Paul McNutt hears that you don't think womanpower is manpower!"

Mrs. Hendrickson had the last word, at this point. "Let's go home, dear," she is reported to have said.

—LARSTON D. FARRAR

Postwar Problem No. 3

(Continued from page 40)
from business and controlled by government appointed directors.

Government is the private companies' largest customer and all present indications point toward enlargement of its buying policies and power. Possible effects on other business of a "partnership" controlled by its largest customer are many and varied. Private companies would likely find their markets filled by government competitors operating with tax advantages, and without direct responsibility toward the taxpaying public which has invested in it.

Another Washington group opposes government retention of industry on a broad scale, but advocates a wide variety of government-owned "yardstick" plants for the alleged measurement of private business' efficiency. This would involve a range of business running all the way from automobile factories to kitchenware plants.

Some of the bitterest controversies between Government and private companies have concerned the computation of costs, taxes, and the self-measurement of efficiency of publicly-owned "yardsticks" in the past.

Another small group within the Administration—plus a rapidly growing

group in Congress—favors complete withdrawal of government from business as soon as war ends. Advocates of this policy contend that the initiative and resiliency of private enterprise would more quickly bring the facilities in hand into their highest natural level of productivity and employment.

Generally, these advocates hold that government should be represented in the management of privately-owned and operated companies in proportion to the amount of government funds invested. As the Government's mortgage is paid off, this direction would be proportionately decreased.

No pattern to follow

THERE is no World War I pattern to guide World War II policies. No far-reaching taking over of business had occurred by Armistice Day. The 1918 Coal and Food Administrations were regulatory, not operative as are so many Government bureaus today. The War Finance Corporation, forerunner of today's RFC, extended government assistance to war contractors in unusual need. With few exceptions munitions were produced in privately owned plants or in government factories which were scrapped or retained as arsenals after the war.

Now—after three years of war building and 19 months of actual war, the Army, Navy and other government departments are at work on inventories intended to list and identify the property they hold in public ownership.

One hundred and forty-three agencies, both public and private, are at work on plans and blueprints for the world that will follow the war.

But men in business, men at the head of the great factories turning out the materials to win the war, are aware of the practical, down-to-earth obstacles that must be overcome before world of tomorrow plans can ever be put into effect.

These are the Monday morning problems, the problems that must be solved first:

Prompt payment on the \$75,000,000 worth of war contracts in progress when peace brings cancellations, so that private business will have the money to meet its reconversion costs, provide jobs quickly, and get started on its peacetime job.

An orderly disposal of the \$25,000,000 worth of surplus products the Government will have on hand, so that whole markets or even entire industries will not be disrupted or swamped by dumping of surplus.

Prompt disposal of the billions in plants and facilities now in government hands so that business may plan ahead and go ahead without threat of ruinous government competition.

When these problems are solved, but not before they are solved, there will be a chance for the world of tomorrow kind of planning to take effect.

(The way to meet these pressing post-war problems will be discussed in an early issue of NATION'S BUSINESS.)



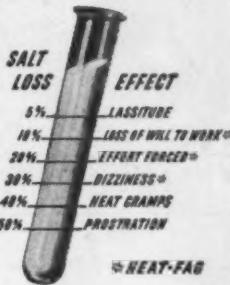
Trigger Fingers... Must Not Fail

From the stink holes of the Solomons and the burning sands of Africa to the industrial heart of America, salt tablets play their part in preserving the will to win and the will to work. Whether power tool or rifle, trigger fingers must not fail. Men must stay alert and on the job.

Wherever men sweat, Heat-Fag is a threat. Sweat dissipates body salt. Unless body salt is replaced and the correct balance maintained, Heat-Fag takes its toll. It slows down reactions — renders men inalert — exposes them to industrial accidents.

Production-minded industries insist on Salt Tablets for men who sweat and do hot work. They keep men alert and efficient through long, hard, hot hours.

This Is What Happens
When Sweating Robs
the Body of Salt . . .



MORTON'S Heat-Fag SALT TABLETS



QUICK DISSOLVING
(Less than 30 seconds)
This is how a Morton Salt Tablet looks when magnified. See how soft and porous it is inside. When swallowed with a drink of water, it dissolves in less than 30 seconds

Case of 9000, 10-grain Salt Tablets, \$2.60
Salt-Dextrose Tablets case of 9000, \$3.15

Place
MORTON'S DISPENSERS
at all Drinking Fountains.
They deliver salt tablets,
one at a time, quickly,
cleanly — no waste. Sanitary,
easily filled, durable.

500 Tablet size - \$3.25
1000 Tablet size - \$4.00

Order from your distributor or directly from this
advertisement . . . Write for free folder.



MORTON SALT COMPANY • CHICAGO, ILLINOIS

**FIND the
answers
QUICKLY**



**use
handy**

MAK-UR-OWN

TRADE MARK REG. U.S.A.

CELLULOID

INDEX TABS

to speed reference in active books, card files or salesmen's portfolios.

Any index you want—typed, written or printed on the changeable inserts may be slipped into the MAK-UR-OWN strip, cut to length and permanently attached in a moment.

Genuine, original MAK-UR-OWN is sold in three widths, seven colors for all kinds of indexing.



GO TO YOUR STATIONER FOR CLEAN, CONVENIENT MAK-UR-OWN INDEX TABS



THE VICTOR SAFE & EQUIPMENT CO., INC.
NORTH TONAWANDA, N.Y.

HAWAII CALLING!

Pre-War Sales: \$100,000,000 Annually!
Post-War Potentialities Even Greater!

The advantages of selling in Hawaii are multiple: dollar currency; no exchange difficulties; simple credit requirements, AAA risks; free of all documentary headaches.

I know because I've lived, travelled and done business in Hawaii and am at present representing several U.S. manufacturers selling through wholesalers.

If you desire a connection for present or post-war business, write without obligation to

LEONARD BACHRACH

40 Worth Street, New York City, N.Y.

WARDMAN
PARK HOTEL
1800 ROOMS FROM \$4



CONNECTICUT AVE. & WOODLEY RD., WASHINGTON

Washington War Survey

From the Records of the U. S. Chamber's
War Service Division

Merchant Marine—In observance of National Maritime Day, Maritime Commission awarded 8 Merchant Marine Distinguished Service Medals to merchant seamen • Approximately 120 Torpedo Pin Awards made each day for heroic service at sea • Employment on active merchant ships increased 20% during first quarter of 1943; 100% increase estimated by end of year • War Shipping Administrator announces that American shipyards, since Pearl Harbor, have built more merchant tonnage than total steel ship production in entire 5 years of first World War program.

★ ★ ★

New Weapons of War—War Department announces plans for using amphibious helicopters, operating from Liberty ships, as new weapon against Axis submarines • War and Navy Departments jointly announce development of radars, devices used to detect approach of enemy aircraft and ships, and to determine distance to enemies' forces.

★ ★ ★

Special Cameras for Navy—Third Naval District appeals for number of Robot, Model 2, 32 or 32.5 millimeter Zeiss Tessar lens cameras; cameras will be bought for Bureau of Ordnance.

★ ★ ★

Training Programs—War and Navy Departments jointly announce formation of Army and Navy Staff College for training of senior officers of Army, Navy and Marine Corps in all phases of joint or coordinated operations involving land, sea and air • War Department reports on plans for enlistment of 2,000 WAACs to be trained in Signal Corps military communications work; enlistments now being accepted • WMC announces enrolment of women high school graduates in summer courses for engineering, science, management and war training in 1,000 towns and cities will provide 100,000 trained workers to war industries before end of 1943 • WMC chairman reports training of 80,000 men and women for radio work in War Training Courses since October, 1940; additional 18,000 now enrolled in electronics courses.

★ ★ ★

Women in War Work—WMC Chairman reports employment of women reached all-time peak of 15,200,000 in March, 1943—1,900,000 more than March, 1942; estimates 17,400,000 will be required for civilian labor force and Armed Forces by December, 1943.

Smaller War Plants—OWI representative sample survey of small manufacturing concerns indicates that 58 per cent are engaged directly or indirectly in war production.

★ ★ ★

Breaking Bottlenecks—Officials of War and Navy Departments, Petroleum Administration for War, WPB and Office of Rubber Director, to visit rubber, 100-octane gasoline, and related plants in Southwest in order to review situation on ground, in effort to break bottlenecks in production.

★ ★ ★

Conservation and Substitution—Substitution of paperboard boxes for those previously made of critical materials resulted in savings, in 1942, of 215,000,000 pounds critical metals; 8,000,000 board feet lumber; 750,000 pounds glass; 220,000 pounds cellophane; 36,000 pounds plo-film; 12,000 pounds rubber, according to folding box industry report • WPB stops scrapping of serviceable used automotive parts as conservation measure • WPB Government Division urges schools and colleges to join paper conservation movement.

★ ★ ★

Price Control—RFC will make subsidy payments to processors of meats, coffee and butter to assure continued maximum production, in cooperation with OPA's program of reducing prices on these items • In drive to make price control more effective, OPA announces issuance, to date, of 35 specific maximum price regulations at retail; also 138 community-pricing orders.

★ ★ ★

Child Care—OWI reports that Child Care Committees have been organized in approximately 1,000 communities and in every state, taking care of 100,000 children of mothers in war industries.

★ ★ ★

Safeguarding Allotment Checks—United States Secret Service announces intensified nation-wide educational program in effort to stop thieves and forgers of dependency allotment checks.

★ ★ ★

Gifts for Prisoners of War—Board of Economic Warfare announces that after June 10 gift parcels may not be shipped direct to prisoners of war or civilian internees who are nationals of the United Nations other than the United States and British Empire.

—E. L. BACHER.

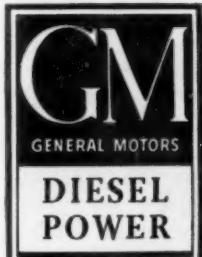
RAILROADING CROSSES A NEW FRONTIER



Today on the Great Northern, GM Diesel Locomotives like this are hauling heavy war loads through "The Great West." On one mountain operation, consisting chiefly of movement of metal vital to victory, the utilization of GM freight locomotives resulted in an increase of 50% in train-hauling capacity.

Here Currier and Ives, the famous portayers of American life of the past century, depict one of the great eras of railroading—the achievement of rail transportation from East to West—the opening up of new lands and unexploited resources.

WARS have a way of ending old eras and starting new ones. Following the Peace of 1865, the nation was first united from coast to coast by bands of steel (May 10, 1869). Geographically, America has no new frontiers. Technically we have many. The curtain already has been drawn back on one element of the new era that surely will follow the present conflict—a new tool for the improvement of national transportation—General Motors locomotives.



LOCOMOTIVES ELECTRO-MOTIVE DIVISION, La Grange, Ill.

ENGINES .. 150 to 2000 H.P. CLEVELAND DIESEL ENGINE DIVISION, Cleveland, Ohio

ENGINES .. 15 to 250 H.P. DETROIT DIESEL ENGINE DIVISION, Detroit, Mich.



Crossing the new frontier is not alone for the railroads. GM Diesels will usher in new possibilities for the farm and for industry as well.



Equipment filled a block-long lot. Three auctioneers, working in different spots, sold 200 items in two hours

Farmers' Junk Steps up Idaho Food Production

FARMERS in the West were handicapped this year by small allotments of new farm machinery, but the farmers of southern Idaho were able to meet the situation—and to step up their production—through the initiative of Bert Bolingbroke, Twin Falls county agent.

Bolingbroke found, on checking up on the matter, that practically every farmer in his area had one or more pieces of farm machinery for which he himself had no particular need. Some of the equipment was rusting away in a corner, some even overgrown with weeds. In some cases, parts were missing. Many of the farmers, however, considered these implements too valuable to scrap as junk.

The problem was to get this farm machinery into circulation, redistributed to the farmers who needed it to produce victory foods.

In cooperation with the implement dealers of southern Idaho, the Twin Falls Chamber of Commerce, bank officials and the war board of the Department of Agriculture, plans were made for a gigantic Magic Valley auction sale of used farm machinery.

Magic Valley covers eight counties in the Snake River basin. The farmers in this area were urged by radio, newspapers and word of mouth to bring to Twin Falls all kinds of farm implements, usable or repairable, for sale.

On the morning of the auction, more than 1,000 pieces

of machinery and accessories were assembled in the yard of a local implement dealer. The block-long lot overflowed with everything from fence posts to tractors and farm trucks.

But for the fact that the three auctioneers worked in various sections of the grounds, the sale would have lasted 24 hours.

During the first two hours, more than 200 articles were sold and avid bidding forced prices to levels somewhat above those ordinarily paid for used farm machinery.

One farmer apparently needed a four-row beet and bean cultivator desperately, and he was determined to get one regardless of cost. He paid \$295 for an implement that retailed for \$135, new.

After the sale, one implement dealer admitted frankly that his face was red. He told of a farmer who had previously offered to sell him an old disc for \$25. Since the implement was in very poor shape, the dealer refused to buy it.

At the machinery auction, that second-hand disc brought \$150.

When final accounting was made, figures showed that the used machinery had netted its owners more than \$14,900.

"To the farmers themselves goes the credit for this—the greatest sale ever held in south Idaho," says Bolingbroke. "They displayed their patriotism by bringing in their machinery so that it could be redistributed, enabling other farmers to meet this year's victory food crop goals."

—VIC GOERTZEN